

Opinions of the Independent Financial Advisor

**On Assets Acquisition of the Listed Company and Connected Transaction with
regards to Purchase of Land Where Factories are Located
in Saha Group Industrial Park, Amphur Sriracha, Chonburi Province**

For Supporting General Meeting of Shareholders

Textile Prestige Public Company Limited

April 25, 2017

April 25, 2017

Re: Opinion of the independent financial advisor on assets acquisition of the listed company and connected transactions with regards to purchase of land where factories are located in Saha Group Industrial Park, Amphur Sriracha, Chonburi Province

Attn: Shareholders

Textile Prestige Public Company Limited

Reference is made to the Board of Directors' Meeting of Textile Prestige Public Company Limited ("TPCORP" or the Company") No. 1/2560 on February 16, 2017 which passed a resolution to approve the entering into acquisition transaction of the land where the factories are located in Saha Group Industrial Park, Amphur Sriracha, Chonburi Province from Saha Pathana Inter-Holding Public Company Limited ("SPI") with total areas of 12 rai 1 ngan 87 square wah. In case total areas are higher or less than the amount specified in the land sale and purchase agreement, the parties agree to purchase and sell the land pursuant to the actual areas measured at the purchase price of 12,000,000 Baht per rai, or at a total purchase of 149,610,000 Baht. After purchase of such land, the ownership of all factory buildings and structures owned by the Company which are situated on such land shall belong to the Company as the Purchaser. In addition, after such transaction, land lease agreement that the Company executed with SPI shall be terminated, as a result, the Company does not have to pay the remaining land lease fee up to January 31, 2018 and the Company does not have to transfer the ownership of all of its buildings and structures situated on such land to SPI, as the lessor, after the expiry of the lease agreement. Hence, the ownership of all buildings and structures still belong to the Company.

The purchase of such land is considered as the asset acquisition of the listed company pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules for Significant Transactions Constituting an Acquisition or Disposition of Assets dated August 31, B.E. 2551 (2008) and its amendments and the Notification of the Board of Directors of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 ("Notification on Asset Acquisition or Disposition"). When calculation from the Company's consolidated financial statements for the year ended December 31, 2016 based on criteria stipulated in those notifications by applying the highest value, size of transaction is equaled to 5.76 percent of the Company's total assets, and when combining with assets acquisition or disposition during the past 6 months of 5.90 percent of the Company's total assets, total size of transaction equals to 11.66 percent of the Company's total assets. Since size of such transaction is lower than 15 percent of the Company's total assets and since no securities have been issued as consideration of asset acquisition, so such transaction is within the approval authorization of the Company's Board

of Directors and the Company shall be exempted from preparing a report disclosing at least the information specified in the Schedule 1 to the Stock Exchange of Thailand as well as requesting for an approval from the Shareholders' Meeting for that transaction.

However, the transaction on purchase of such land is considered as the connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. Tor. Jor. 21/2551 Re: Connected Transactions Rules dated August 31, B.E. 2551 (2008) and its amendments and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies relating to Connected Transactions B.E. 2546 (2003) dated November 19, B.E. 2546 (2003) (the "Notification on Connected Transactions") because the party entering into this transaction with the Company is the Company's major shareholder and upon calculation of such transaction's size, its value equals to 7.56 percent which is greater than 20 million Baht or more than 3 percent of the Company's net tangible assets.

Consequently, in order to enter into such transaction, the Company is required to prepare a report and disclose information pursuant to the specified Notification on Connected Transactions as well as to request for approval for entering into such transaction from the shareholders' meeting with the vote not less than three-fourths of total vote of shareholders or the proxies (if any) who participate in the meeting, excluding those votes with conflict of interest. TPCORP shall propose to the shareholders' meeting for approval during the Annual General Meeting of Shareholders which shall be held on April 25, 2017.

In this regards, the Company has appointed Finnex Advisory Company Limited (the "Independent Financial Advisor"), an approved financial advisor from the Office of the Securities and Exchange Commission which does not have any relationship with the Company, the subsidiaries or the affiliate of the Company, to provide opinions with regards to reasonableness and benefits, fairness of price and conditions on assets acquisition of the listed company and such connected transactions to the Independent Directors, the Audit Committee and the shareholders of the Company. Finnex Advisory Company Limited as the Independent Financial Advisor has conducted the study and prepared an opinion report on entering into such transactions as follows:

1. Characteristics and details of transactions
2. Advantages / impacts of entering and not entering into transactions
3. Fairness of price and transaction conditions
4. Opinion of the Independent Financial Advisor on voting decision of the shareholders

The opinion provided by the Independent Financial Advisor is based on the study and analysis of information and document obtained from the Company including the interview with the Company's management, information available to the public as well as other information obtained from acceptable public sources with

regards to reliability, credibility, accuracy and completeness of information. In addition, the opinion of the Independent Financial Advisor is based on assumption that the above mentioned information received from the Company as well as the interview with the Company's management are true and correct and by taking into consideration the economic environment and information occurred at the time of the study. Therefore, if there is any material change in such factors, the Company may be impacted from such change and it might impact to this transaction. Hence, the opinion of the Independent Financial Advisor may not be able to confirm impact which might significantly occur to the Company in the future.

However, Finnex Advisory Company Limited, as the Independent Financial Advisor, hereby certified that we have rendered the above opinion prudently under code of professional practices and in the best interest of the shareholders. This report has been prepared in Thai and it has been translated for convenience of the foreign investors. If there is any discrepancy between English version and Thai version, the Thai version shall prevail.

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Acronym and Definition

TPCORP/The Company/The Seller	:	Textile Prestige Public Company Limited
SPI/The Purchaser	:	Saha Pathana Inter-Holding Public Company Limited
Independent Financial Advisor	:	Finnex Advisory Company Limited
Industrial Park	:	Saha Group Industrial Park, Amphur Sriracha, Chonburi Province
BOI	:	The Board of Investment
NTA	:	Value of assets of the listed company (Net Tangible Assets)
Pursuant to Notification	:	Pursuant to the Notification of the Board of Directors of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition and Disposition of Assets B.E. 2547 (2004)

Executive Summary

Reference is made to the Board of Directors' Meeting of Textile Prestige Public Company Limited ("TPCORP" or the Company") No. 1/2560 on February 16, 2017 which passed a resolution to approve the entering into acquisition transaction of the land where the factories are located in Saha Group Industrial Park, Amphur Sriracha, Chonburi Province from Saha Pathana Inter-Holding Public Company Limited ("SPI") with total areas of 12 rai 1 ngan 87 square wah. In case after measuring, total areas are higher or less than the amount specified in the land sale and purchase agreement, the parties agree to purchase and sell the land pursuant to the actual areas measured at the purchase price of 12,000,000 Baht per rai, or at a total purchase of 149,610,000 Baht and payment will be divided into 5 installments at approximately 29,922,000 Baht per installment, without interest. After purchase of such land, the ownership of all factory buildings and structures owned by the Company which are situated on such land shall belong to the Company as the Purchaser. In addition, after such transaction, the Company will terminate the existing land lease agreement, which will be expired on January 31, 2018, that the Company executed with SPI, as a lessor. Moreover, the Company does not have to transfer the ownership of all of its buildings and structures situated on such land to SPI, as the lessor, after the expiry of the lease agreement as per specified in such agreement. Hence, the ownership of all buildings and structures still belong to the Company.

The purchase of such land is considered as the asset acquisition of the listed company pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules for Significant Transactions Constituting an Acquisition or Disposition of Assets dated August 31, B.E. 2551 (2008) and its amendments and the Notification of the Board of Directors of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 ("Notification on Asset Acquisition or Disposition"). When calculation from the Company's consolidated financial statements for the year ended December 31, 2016 based on criteria stipulated in those notifications by applying the highest value, size of transaction is equaled to 5.76 percent of the Company's total assets, and when combining with assets acquisition or disposition during the past 6 months of 5.90 percent of the Company's total assets, total size of transaction equals to 11.66 percent of the Company's total assets. Since size of such transaction is lower than 15 percent of the Company's total assets and since no securities have been issued as consideration of asset acquisition, so such transaction is within the approval authorization of the Company's Board of Directors and the Company shall be exempted from preparing a report disclosing at least the information specified in the Schedule 1 to the Stock Exchange of Thailand as well as requesting for an approval from the Shareholders' Meeting for that transaction.

However, the transaction on purchase of such land where factories are located is considered as the connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. Tor. Jor. 21/2551 Re: Connected Transactions Rules dated August 31, B.E. 2551 (2008) and its amendments and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies relating to Connected Transactions B.E. 2546 (2003) dated November 19, B.E. 2546 (2003) (the "Notification on Connected Transactions") because the party entering into this transaction with the Company is the Company's major shareholder and upon calculation of transaction's size, value of transaction equals to 7.56 percent which is greater than 20 million Baht or more than 3 percent of the Company's net tangible assets.

Consequently, in order to enter into such transaction, the Company is required to prepare a report and disclose information pursuant to the specified Notification on Connected Transactions as well as to request for approval for entering into such transaction from the shareholders' meeting with the vote not less than three-fourths of total vote of shareholders or the proxies (if any) who participate in the meeting, excluding those votes with conflict of interest. TPCORP shall propose to the shareholders' meeting for approval during the Annual General Meeting of Shareholders which shall be held on April 25, 2017.

Referring to the proposal for purchase of land where the factories are located, the Independent Financial Advisor has considered about the appropriateness of transaction considerations that the Company has to pay for acquisition of land and buildings for its business operation. It is deemed that the appropriated option with regards to the transaction considerations is to purchase the land where factories are located because it has the least expenses, when comparing with other options. In addition, when considering advantages and impacts of each option, the purchase of land from SPI is the most appropriated and best benefits to Company because the ownership in the land will belong to the Company, so the Company will not have risks from being declined on renewal of the land lease agreement and will not have risk from facing higher lease fee rate during renewal of agreement. In addition, such land purchase will make the Company able to continue its manufacturing operations without wasting time and expenses for relocation of factory, machineries including the employees of manufacturing department to the new factory location, in case the land lease agreement has not been renewed. Other favorable aspect is the Company will also have additional gains from adjustment of land price which will be averagely 3-5 percent per year.

Therefore, **the Independent Financial Advisor is of opinion that the acquisition transaction of the land where factories are located is appropriated and reasonable.** In addition, when considering that after the Company purchases such land, the ownership in land and all buildings located therein will belong to the Company and such purchase price is also lower than the price of the land and buildings appraised by the independent appraiser. Moreover, when comparing the purchase price by means of discount cash flow approach, such price is lower than the expenses that the Company has to pay in case the Company continues leasing such land and in case of procurement of new land and construction of new factory buildings. Hence, when considering from details of the land purchase proposal including advantages and impacts of each option, as well as considerations to be paid by the Company, **the Independent Financial Advisor is of opinion that the shareholders should approve on the acquisition of the land where the factories are located** from SPI.

Part 1: Characteristic and Detail of Transaction

1.1. Characteristic and detail of transaction

Reference is made to the Board of Directors' Meeting of Textile Prestige Public Company Limited ("TPCORP" or the Company") No. 1/2560 on February 16, 2017 which passed a resolution to approve the entering into acquisition transaction of the land where the factories are located within Saha Group Industrial Park, Amphur Sriracha, Chonburi Province from Saha Pathana Inter-Holding Public Company Limited ("SPI") with total areas of 12 rai 1 ngan 87 square wah at the purchase price of 12,000,000 Baht per rai, or at the total purchase of 149,610,000 Baht. After purchase of such land, the ownership of all factory buildings and structures situated on such land owned by the Company shall belong to the Company as the Purchaser. In addition, after such transaction, the existing land lease agreement that the Company executed with SPI shall be terminated, as a result, the Company does not have to pay the remaining land lease fee up to January 31, 2018.

The Company shall purchase the land where the factories are located within Saha Group Industrial Park pursuant to title deed no. 225020, plot of land no. 6134, Tambon Nongkham, Amphur Sriracha, Chonburi Province, with total areas of 12 rai 1 ngan 87 square wah. In case total areas are higher or lesser than the amount specified in the land sale and purchase agreement, the parties agree to purchase and sell the land pursuant to the actual areas. Such land is the location of the Company's Factory 2 which is occupied as the manufacturing factory for non-woven fabrics to be used as the parts in automotive industry including furniture, garment and others. Details of the surrounding areas are as follows:

North	Adjacent to Sahacogen (Chonburi) Public Co., Ltd. (generate and supply electricity and steam)
South	Adjacent to Thai Staflex Co., Ltd. (manufacturing and distribution of fusible interlining, separated by the road)
West	Adjacent to Raja Uchino Co., Ltd. (manufacturing and distribution of towels), separated by the road
East	Adjacent to reservoir, separated by the road

The Company will obtain the ownership of all factory buildings and structures situated on such land upon purchase of such land from SPI. The purchase price of such land is 12 million Baht per rai, or at a total amount of approximately 149,610,000 Baht. Term of payment is divided into 5 installments, or at approximately of 29,922,000 Baht per installment, without any interest. Period of payment shall be as follows:

- 1st Installment: Within 30 days from the execution date of land sale and purchase agreement
- 2nd installment: Within 1 year after the payment date of the 1st installment.
- 3rd installment: Within 1 year after the payment date of the 2nd installment

- 4th installment: Within 1 year after the payment date of the 3rd installment.
- 5th installment: On the land ownership transferring date.

The Company and SPI shall register for land ownership transfer within 1 year from the payment date of the 4th installment. Land transfer fee, land purchase tax, excise and all other expenses concerning land will be equally responsible by the Purchaser and the Seller.

The ownership of all factories and buildings owned by the Company which are located on such land will belong to the Company after the land purchase transaction has been completed and it will also result in the termination of the land lease agreement that the Company executed with SPI, therefore the Company does not have to pay the remaining land lease fee up to January 31, 2018. Moreover, the Company does not have to transfer the ownership of all of buildings and structures owned by the Company which are located on such land to SPI, the lessor, after the expiry of the lease agreement. Hence, the ownership in all buildings and structures shall still belong to the Company.

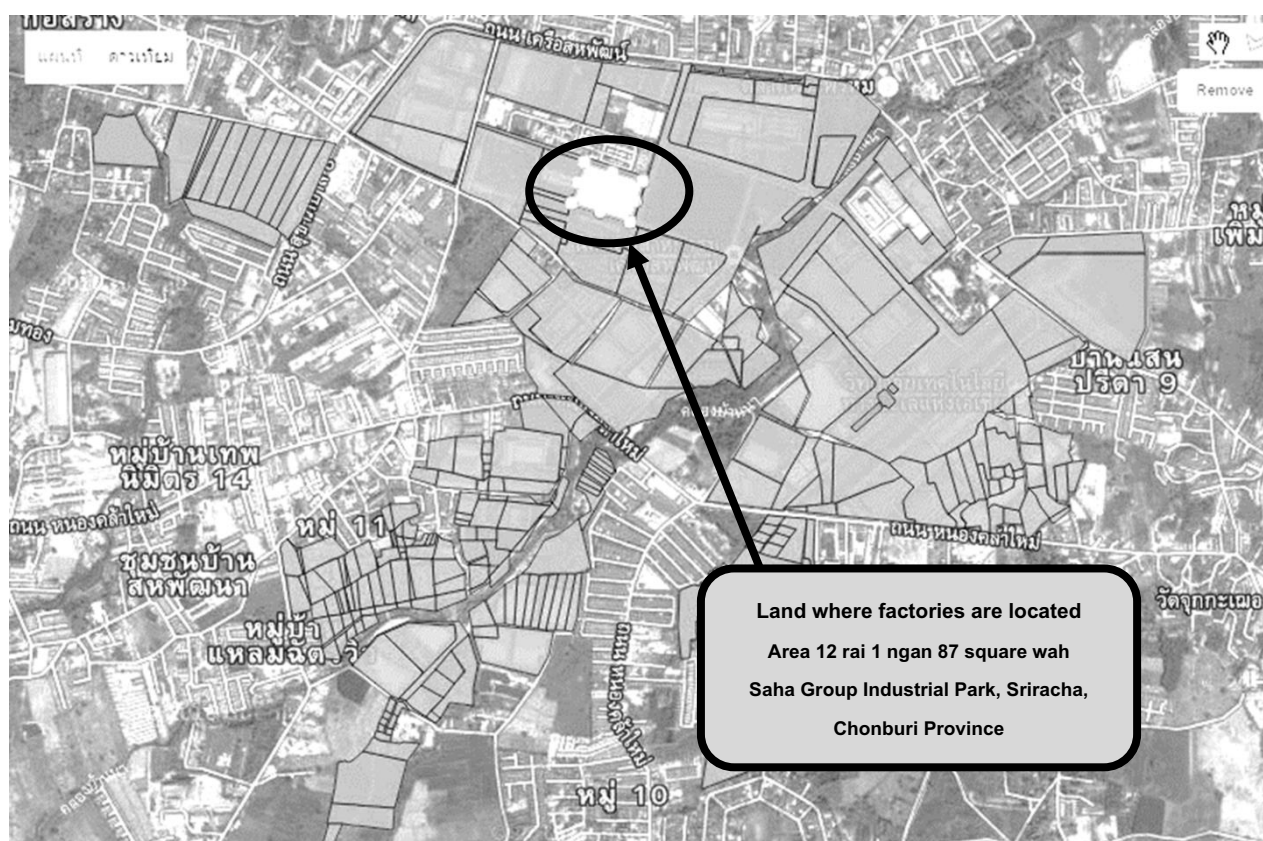


Figure 1: Layout of the land where the Company will enter into land purchase transaction

The purchase of such land where factories are located is considered as the asset acquisition of the listed company pursuant to the Notification of the Capital Market Supervisory Board No. Tor Jor. 20/2551 Re: Rules for Significant Transactions Constituting an Acquisition or Disposition of Assets dated August 31, B.E. 2551 (2008) and its amendments and the Notification of the Board of Directors of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies

Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004) dated October 29, 2004 (the "Notification on Asset Acquisition or Disposition"). When calculation transaction size from the Company's consolidated financial statements for the year ended December 31, 2016 based on criteria stipulated in those notifications by applying the highest value, size of transaction is equaled to 5.76 percent of the Company's total assets, and when combining with assets acquisition or disposition during the past 6 months of 5.90 percent of the Company's total assets, total size of transaction equals to 11.66 percent of the Company's total assets. Hence, such transaction size is less than 15 percent of the Company's total assets and since no securities have been issued as consideration of asset acquisition, so such transaction is within the approval authorization of the Company's Board of Directors, without requiring to prepare a report and disclose the memorandum, at the minimum information, specified in the Schedule 1 to the Stock Exchange of Thailand as well as arrange of the shareholders' meeting in order to request for an approval of such transaction.

However, the transaction on purchase of such land is considered as the connected transaction pursuant to the Notification of the Capital Market Supervisory Board No. Tor. Jor. 21/2551 Re: Connected Transactions Rules dated August 31, B.E. 2551 (2008) and its amendments and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies relating to Connected Transactions B.E. 2546 (2003) dated November 19, B.E. 2546 (2003) (the "Notification on Connected Transactions") because the party entering into this transaction with the Company is the Company's major shareholder and upon calculation of transaction's size, value of transaction is 7.56% which is greater than 20 million Baht or more than 3 percent of the Company's net tangible assets.

Consequently, in order to enter into such transaction, the Company is required to prepare a report and disclose information pursuant to the specified Notification on Connected Transactions as well as to request for approval for entering into such transaction from the shareholders' meeting with the vote not less than three-fourths of total vote of shareholders or the proxies (if any) who participate in the meeting, excluding those votes with conflict of interest. TPCORP shall propose to the shareholders' meeting for approval during the Annual General Meeting of Shareholders which shall be held on April 25, 2017.

1.2. Essence of the transaction on purchase of the land where factories are located

The Company wishes to enter into acquisition transaction of the land where its factories are located within Saha Group Industrial Park from Saha Pathana Inter-Holding Public Company Limited ("SPI"). Essence on such acquisition transaction is that ownership of all of the buildings and structure owned by the Company will belong to the Company, as the Purchaser, after completion of the land

purchase and sell transaction, the last installment payment has been paid by the Company and upon the ownership of land has been transferred to the Company from SPI. Details of the assets of which their ownership will belong to the Company after land purchase and sell can be concluded as follows:

Item No.	House No.	Description of Building and Structure	Total Usable Area (Square Meters)	Useful life (Year)	Remaining useful life (Year)
1.	624/5-8 Moo. 11	3-storey office building with factory and building improvement	18,525.00	35	≥ 20
2.		Warehouse	220.00	35	≥ 10
3.		Spare parts warehouse no. 1	60.00	35	≥ 10
4.		Spare parts warehouse no. 2	48.00	35	≥ 10
5.		Canteen and maintenance building	252.00	8	≥ 7
Integral parts and other developments					
6.		Road and concrete yard	3,304.00		
7.		Fence and gate	1,113.04		
Total Usable Area only items 1 - 5			19,105.00		

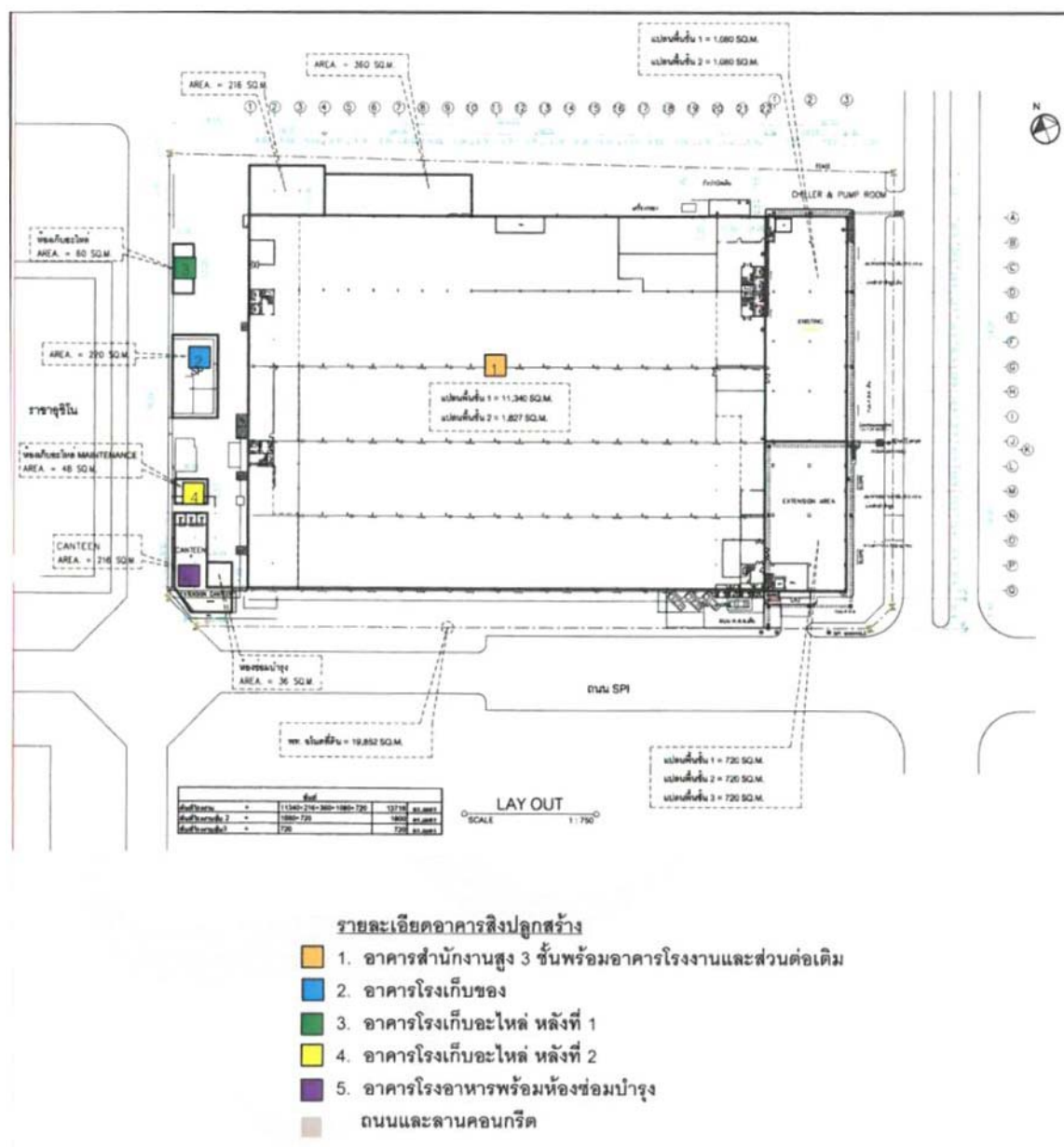


Figure 2: Layout of the factory buildings and structures

The execution of land purchase and sale agreement will result in the termination of the land lease agreement which has contract term of 30 years, beginning from February 1, 1988 and ending on January 31, 2018 that the Company executed with SPI. Therefore the Company does not have to pay the remaining land lease during the remaining period of approximately 9 months. Moreover, the Company does not have to transfer the ownership of all of its buildings and structures on such land to Lessor as per specified in the Lease Agreement. Hence, after the execution of land sale and purchase agreement and all payments have been fully made pursuant to the terms of payment and land has been transferred to the Company, the ownership in all buildings and structures shall still belong to the Company, as the Purchaser.

In addition, after the execution of land sale and purchase agreement, the Company has to enter into the agreement on usage of land in Saha Group Industrial Park with SPI, as the Project Manager of Saha Group Industrial Park, so that the Company can use the land pursuant to the criteria applied to other industrial operators in the Industrial Park. In addition, whether the Company purchases the land to make its ownership belongs to the Company or leases the land from SPI, the Company still has to pay for common expenses in using the land which is currently at the rate of 9,951 Baht/month or 119,412 Baht/year.

Value of consideration and terms of payment

The Purchase and the Seller agree to purchase and sell the land within Saha Group Industrial Park pursuant to title deed no. 225020, plot of land no. 6134, Tambon Nongkham, Amphur Sriracha, Chonburi Province, with total areas of 12 rai 1 ngan 87 square wah, at the purchase price of 12,000,000 Baht (Twelve Million Baht) per rai, or at a total amount of 149,610,000 Baht (One hundred forty nine million six hundred and ten thousand Baht only). The Purchaser agrees to make payment to the Seller by dividing into 5 installments, without any interest, at 29,922,000 Baht per installment, under the following terms of payment:

- 1st Installment: Within 30 days from the execution date of land sale and purchase agreement
- 2nd installment: Within 1 year after the payment date of the 1st installment.
- 3rd installment: Within 1 year after the payment date of the 2nd installment
- 4th installment: Within 1 year after the payment date of the 3rd installment.
- 5th installment: On the land ownership transferring date.

The Company as the “Purchaser” and SPI as the “Seller” shall effect the registration of transfer of ownership of the land within 1 year from the payment date of the 4th installment.

Source of fund for purchase of such land will derive from the short-term investment in the Company's open-end fund which the Company invested in Thanachart Cash Management Fund (T-CASH) which has high liquidity and with return of approximately 1.15%-1.20% per year. According to the fund book of which the Company is the investment unitholder as at January 10, 2017, the price is 13.0402 Baht/investment unit, so the Company has adequate investments in such fund to pay for the land purchase price of 149.61 million Baht.

Purchase and sale conditions

- The Company and SPI agree that the land to be purchased and sold will be divided by using the existing name first. After it has been divided and before transfer of ownership in the land, if the area of the divided land is more than the amount specified in the agreement, the Company, as the “Purchaser”, shall make additional payment pursuant to the increased areas of land based on the average price of such plot of land, but if the area of the divided land is lesser than the amount specified in the agreement, SPI, as the “Seller”, shall return the money pursuant to the decreased area of land based on the average price of such plot of land to the Purchaser. In case the area is more or less than the amount specified in the land sale and purchase agreement, both parties agree to transfer and sell the land pursuant to the actual areas.

Conditions after purchase and sale

- According to the conditions specified in the land sale and purchase agreement, the ownership in all of the factories buildings and structures located on the land, whether they were built before or after the land sale and purchase agreement, will belong to the Company, as the Purchaser, after all terms of payment have been fulfilled and after SPI transfers the ownership in the land to the Company.
- According to the conditions specified therein, after the land sale and purchase agreement becomes effective, it will result in the termination of the existing land lease agreement that the Company executed with SPI. Consequently the Company does not have to pay the remaining land lease fee, and the Company does not have to transfer the ownership of all of buildings and structures owned by the Company which are located on such land to Lessor as per specified in the existing Land Lease Agreement. Hence, after the execution of land sale and purchase agreement and all payments have been fully made pursuant to the terms of payment and land has been transferred to the Company, the ownership in all buildings and structures shall still belong to the Company, as the Purchaser.

In addition, after the execution of land sale and purchase agreement, the Company has to enter into the agreement on usage of land within Saha Group Industrial Park with SPI, as the Project Manager of Saha Group Industrial Park, and the material conditions are as the followings:

- The Company, as the “Entrepreneur”, may pledge, lease, rent or cause any obligation in the building, structure, machineries, equipment or other assets constructed or installed in the Company's land, provided that the Company must inform SPI, as the “Project Manager”, for acknowledgement in writing within 15 days from such action has been undertaken. However, it

such act results in a change in the current business operation or causes other person to be the Entrepreneur in lieu of the Company, the Company agrees that such action will be performed only after it has received a written consent from SPI. In case SPI does not give a consent, SPI is required to clarify necessary reason in writing to the Company.

- In case of transfer of ownership in the land to the third party, the Company must inform SPI in writing at least 30 days in advance and the Company agrees that it will arrange the transferee to execute the land usage agreement with SPI prior to usage of the land within the period SPI deems appropriated and the Company consents to be bound by this agreement until the ownership in land has been completed transferred.

The Involved Parties with the Listed Company

Purchaser	:	Textiles Prestige Public Company Limited (the “Company”)
Seller	:	Saha Pathana Inter-Holding Public Company Limited (“SPI”) (the Company’s major shareholder holding 12.03 percent of the total issued shares in the Company, pursuant to share registration book as of March 6, 2017.

Relationship with the Listed Company

Saha Pathana Inter-Holding Public Company Limited is the Company’s major shareholder, holding 12,993,750 shares, or 12.03 percent of the total issued shares in the Company.

Date of Transaction

The Company shall enter into the land purchase and sale agreement after obtaining the approval from the Company’s Shareholders’ Meeting which shall be held on April 25, 2017 and it is expected such transaction shall be completed within the 2nd quarter of 2017.

1.3. Type and size of transaction

Calculation on size of assets acquisition transaction

The above transaction is considered as the asset acquisition of the Company pursuant to the Notification of the Board of Directors of the Stock Exchange of Thailand Re: Disclosure of Information and Practice of Listed Companies Concerning the Acquisition or Disposition of Assets B.E. 2547 (2004), and as the asset acquired from this transaction is the land and buildings, hence, criteria used for calculation of transaction size of asset acquisition is based on total value of considerations only and figures used in calculation of transaction size has been referred to the consolidated financial statement of the Company as of December 31, 2016 with details as follows:

Comparison criteria of Value of Consideration

$$\begin{aligned}
 \text{Size of transaction} &= \frac{\text{Total Value of Consideration received} \times 100}{\text{The Company's total assets (pursuant to the consolidated financial statements audited by the Certified Public Accountant as of ending of December 31, 2016)}} \\
 &= \frac{149.61 \text{ million Baht} \times 100}{2,596.26 \text{ million Baht}} \\
 &= \underline{\underline{5.76\%}}
 \end{aligned}$$

When calculation of transaction size, the highest transaction size is equaled to 5.76 percent of the Company's total assets, and when combining with assets acquisition or disposition during the past 6 months of 5.90 percent of the Company's total assets, total size of transaction equals to 11.66 percent of the Company's total assets. Hence, size of such transaction is lower than 15 percent of the Company's total assets and since no securities have been issued as consideration of asset acquisition, so such transaction is within the approval authorization of the Company's Board of Directors, without requiring to prepare a report and disclose the memorandum, at the minimum information, specified in the Schedule 1 to the Stock Exchange of Thailand as well as arrange of the shareholders' meeting in order to request for an approval of such transaction.

Calculation on size of connected transaction

Additionally, such transaction is considered as the connected transaction which is classified as Category 4: Transaction related to the asset, pursuant to the Notification of the Capital Market Supervisory Board No. Tor. Jor. 21/2551 Re: Connected Transactions Rules and its amendments and the Notification of the Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Companies relating to Connected Transactions B.E. 2546 (2003). Details on calculation of this transaction size is as follows:

$$\begin{aligned}
 \text{Transaction size} &= \frac{\text{Value of transaction}^1 \times 100}{\text{The Company's net tangible assets (NTA) as at December 31, 2016}^2} \\
 &= \frac{165.23 \text{ million Baht} \times 100}{2,188.71 \text{ million Baht}} \\
 &= \underline{\underline{7.56\%}}
 \end{aligned}$$

Remark

- ¹Value of transaction

Basis used for calculation of value of net assets to be sold is the highest value of consideration or book value or market value. The highest value of such connected transaction is the market price by referring to the appraisal report by the independent appraiser which is 165.23 million Baht, hence market value is used for calculation of transaction size. Market price has been referred to the appraisal report by the independent appraiser, Siam City Appraisal Company Limited, the appraisal company which is in the list of appraisal company and lead appraiser contributing asset evaluation for capital market transaction of the Office of the Securities and Exchange Commission who appraised the land including the building to be entered for such transaction.

- ²Net tangible assets (NTA) of the listed company for the year ending December 31, 2016 (Million Baht)

Value of assets of the Company and the subsidiaries	=	2,596.26 --- (1)
Total liabilities of the Company and the subsidiaries	=	261.04 --- (2)
Net intangible assets of the Company and the subsidiaries	=	4.16 --- (3)
Deferred tax asset and lease hold	=	47.90 --- (4)
Minority interest	=	96.45 --- (5)
Net tangible assets (NTA) of the listed company	=	(1) – (2) – (3) – (4) – (5)
	=	2,186.71 million Baht

This connected transaction is considered as transaction relating to assets or services of which its value and size are greater than Baht 20,000,000 and greater than 3 percent of the Company's net tangible assets. As a result, the Company is required to disclose the information memorandum relating to the transaction to the Stock Exchange of Thailand to hold the shareholders' meeting for approving the entries into such transactions with votes of not less than three-fourth of total votes of shareholders in attendance and eligible for voting, excluding the votes of shareholders having an interest in the matter and shareholders who are not eligible to vote, who are

Connected Shareholders	Number of shares held in Textile Prestige Public Co., Ltd.	
	as at Mar. 6, 2017	% of total shares
1. Saha Pathana Inter-Holding Public Company Limited	12,993,750	12.03
2. Mr. Boonsithi Chokwatana	8,949,430	8.29
3. Miss Sirikul Dhanasarnsilp	498,120	0.46
4. Watsadoramai Company Limited	324,820	0.30
5. Chokwatana Company Limited	258,820	0.24
6. Pattaya Manufacturing Company Limited	216,540	0.20
Total	23,241,480	21.52

Please note that Thai Wacoal Public Co., Ltd., I.C.C. International Public Co., Ltd. and Saha Pathanapibul Public Co., Ltd are not regarded as the connected shareholders pursuant to the criterion of

Section 258 of Securities and Exchange Act because SPI directly and indirectly holds shares in such companies less than 30% of registered and paid-up capital.

Part 2: Business Overview and Performance

2.1 Textile Prestige Public Company Limited

2.1.1 General Information

Name	: Textile Prestige Public Company Limited
Acronym	: TPCORP
Date of Establishment	: July 7, 1976
Registered Number	: 0107537001447
Type of business	: Manufacturing and distribution of non-woven fabric, products made of non-woven fabric, such as automotive parts; headlining, floor carpet, air filter, face mask, gown for the manufacturing industry and medical gown, raw materials of Industrial Textile and hire of work.
Head Office Location	: No. 704/1-9, Rama 3 Road, Bangpongpan Sub-district, Yannawa District, Bangkok 10120 Telephone: 02 294-0071 facsimile: 02 294-2386 www.tpcorp.co.th
Plant Location	: No. 600, 600/3, 624/5-8, 600/49 Moo 11, Sukhapiban 8 Road, Nongkham Sub-district, Sriracha District, Chonburi Province
Registered Capital	: Baht 108,000,000.00 at par value of Baht 1 per share
Paid-up Capital	: Baht 108,000,000.00 at par value of Baht 1 per share
Dividend Policy	: Dividend payout is at the rate of Baht 0.25 per share (or equivalent to 25% of Par). However, this rate principally depends on economic conditions and business performance

2.1.2 Company's Historical Background

Textile Prestige Public Company Limited (the "Company" or "TPCORP") was established on July 7, 1976, in the name of "Thai Powernet Company Limited", with an initial registered capital of Baht 1 million to develop and produce fabrics that raised the quality of Ladies' undergarments and lingerie manufactured in Thailand to International Standards.

The Company commenced operations producing powernet fabric, raw materials of quality lingerie and expanded product lines to include embroidery fabric, elastic tape, non-woven and elastomeric fabric. With continuing earnest efforts, TPCORP was soon a leading manufacturer and supplier of raw materials for lingerie and sportswear.

The Company diversified into automotive business and started operation to produce materials to supply the automotive sector to respond to the automobile industry promotion policy of the government. Development during the past decade can be summarized as follows:

1984	The Company changed its name from “Thai Powernet Company Limited” to be “Textile Prestige Company Limited”. It is regarded as the first manufacturer of integrated raw materials for ladies’ undergarment and lingerie in Thailand.
1987	Increased registered capital to Baht 36 million and listed in the Stock Exchange of Thailand
1988	Increase registered capital to Baht 72 million
1994	Privatized to Public Company Limited
1996	Increase registered capital to Baht 108 million to expand capacity and development of products to meet the market’s needs.
1997	Joined the first “Saha Group Export Fair”. Later the name has been changed to “Saha Group Export & Trade Exhibition” where the Company regularly joined every year.
1998	Initiated to implement ISO 9002 from the quality assurance firm, Bureau Veritas Quality International (BVQI), for its management and operation. It was awarded the ISO 9000 certificate by TUV Rhineland (TUV) for all of subsidiaries in the production process including the head office in 2002
1999	Received Oeko-Tex Certificate, an Environmental-friendly and skin safety certificate from Switzerland on June 18, 1999
2002	Joined “Interfilere”, the largest lingerie trade exhibition in Europe, for the first time in France which received favorably feedback. The Company continued to participating in various international exhibitions in Hong Kong, Shanghai since then to launch its products into international markets.
2003	Increased the shares from 10,800,000 shares to 108,000,000 shares by reducing par value from Baht 10 to Baht 1 to increase liquidity.
2005	Started the “Energy Conservation Together Project” in the Company for the first time to save operating cost and has continued since then
2006	Selected by “Material ConneXion Library” to exhibit the Company’s Nano Fresh, Jacquard and Spun Silk in 4 fashion cities, New York, Milan, Cologne, and Bangkok
2007	<ul style="list-style-type: none"> - Prestige Plus Company Limited, a subsidiary specialized in bleaching, received an ISO 14001 Certificate from the quality assurance firm, TUV Rhineland (TUV - Invited by Wacoal – Japan to exhibit the Company’s products in Tokyo, Japan
2010	<ul style="list-style-type: none"> - TPCORP and its subsidiaries received ISO 9001: 2000 Certificate, or ISO 9001:2008 in the present day. - Mr. Suchai Narongkananulul, MD of T.U.C. Elastic Company Limited received ESCO Project Award 2010: as TUC can efficiently reduce its electricity consumption for 20% from Dr. Wannarat Channukul, Minister of Industry. - Prestige Plus Company Limited won the first place in “Lean Production, Best Practice 2010” in Textile Industry Category organized by Department of Industrial Promotion and Technology Promotion Association (Thailand-Japan)

- 2011
- Received a “Carbon Footprint” certificate from Thailand Greenhouse Gas Management Organization (Public Organization). It is the first and big step toward the social responsibility.
 - T.U.C. Elastic Company Limited received its second “ESCO Project Award” from its success in Heat Exchange Project from Mr. Pramoul Chanpong, Deputy Director-General of Department of Alternative Energy Development and Efficiency on January 17, 2012 in “Thailand ESCO Fair 2011
- 2012
- TPCORP and Dynic Corporate, Japan, entered into an agreement to carry out the establishment of 2 following Joint Venture companies:
 1. TPCNIC Company Limited to manufacture and distribute cabin filter. Its office is located in Bangkok and its plant is located in Industrial Park, Chonburi Province.
 2. PT. DYNIC TEXTILE PRESTIGE to produce and distribute non-woven fabrics supplied to Automotive Industry. Its office is located in Indonesia. This is one of the important steps to AEC proactive strategies and readiness to approaching other ASEAN countries.
- 2014
- TPCORP announced its intention to participate in the Private Sector Collective Action Coalition against Corruption (CAC).
- 2015
- On October 12, 2015, the shareholders’ meeting has passed a special resolution to approve the Company to dispose its textile business specifically relate to underwear manufacturing and transfer all of businesses of 3 of its subsidiaries, T.U.C. Elastic Company Limited, Prestige Plus Company Limited and Prestige Embroidery Company Limited, including 1 affiliate, Value Added Textile Company Limited. The Company has transferred such businesses on February 1, 2016, as per scheduled.
- 2016
- The Company transferred and disposed its textile business specifically relate to underwear manufacturing of Textile Prestige Public Co., Ltd. and transferred and disposed sold all of businesses of 3 of its subsidiaries, T.U.C. Elastic Company Limited, Prestige Plus Company Limited and Prestige Embroidery Company Limited, including 1 affiliate, Value Added Textile Company Limited since February 1, 2016 and such subsidiaries/affiliate have registered for dissolution on February 25, 2016. Currently they are under liquidation process. The Company has already disseminated such information via the SET’s website.

Thus, after business transfer and disposition, the Company shall focus on manufacturing and distribution of non-woven fabric, products made of non-woven fabric, such as automotive parts; headlining, floor carpet, air filter, face mask, gown for the manufacturing industry and medical gown, raw materials of Industrial Textile and hire of work for manufacturing of related products.

TPCORP has expertise on manufacturing and distribution of raw materials in textiles markets which can be further used in various industries. The Company's products are well-known domestically and internationally. The Company also constantly demonstrates its potential in manufacturing innovative products to the market to better respond to diversified demand of the customers and to meet the customers' satisfaction. TPCORP dedicates to producing quality products to ensure maximum customer satisfaction and to strengthen stability of the organization which can lead to the most business competitive advantage on sustainable basis.

2.1.3 Registered Capital

Presently, the Company's registered capital is Baht 108,000,000 with paid-up capital of Baht 108,000,000, divided into 108,000,000 ordinary shares at par value of Baht 1 per share. Top ten shareholders of the Company as of the register closing date on March 6, 2017 are as follows:

	Name of Shareholders/ Group of Shareholders	Amount of Share Held	%
1	Thai Wacoal Public Company Limited	19,598,850	18.15
2	Saha Pathana Inter-Holding Public Company Limited	12,993,750	12.03
3	I.C.C International Public Company Limited	11,261,720	10.43
4	Saha Pathanapibul Public Company Limited	9,390,370	8.69
5	Mr. Boonsithi Chokwatana	8,949,430	8.29
6	Mr. Samrerng Manoonpol	8,196,400	7.59
7	I.D.F. Company Limited	5,922,960	5.48
8	Universe Beauty Company Limited	1,391,000	1.29
9	Thai NVDR Company Limited	1,055,500	0.98
10	Thanulux Public Company Limited	1,034,920	0.96
11	Other Shareholders	28,205,100	26.11
	Total	108,000,000	100.00

2.1.4 The Board of Directors

As at March 6, 2017, TPCORP's Board of Directors comprises of 9 members as follows:

	Name	Position
1	Mr. Manu Leelanuwatana	Chairman
2	Mr. Suchai Narongkananukul	Managing Director
3	Mr. Arnut Rattanapathimakorn	Deputy Managing Director
4	Mr. Wachara Poomarintr	Director
5	Mr. Chanin Ratanavijai	Director
6	Miss Sirikul Dhanasarnsilp	Director
7	Mr. Padoong Techasarintr	Independent Director and Chairman of the Audit Committee

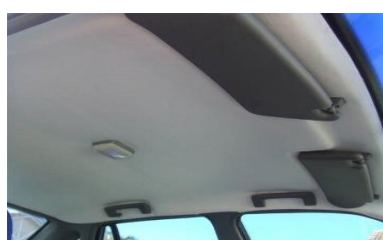
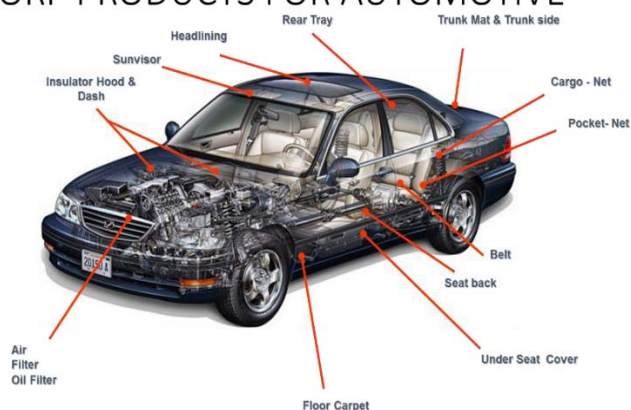
	Name	Position
8	Mr. Krisada Visavateeranun	Independent Director and Audit Committee
9	Mr. Thanavat Pugavanaja	Independent Director and Audit Committee

The signatory directors to sign and bind the Company are two of the following six directors: Mr. Manu Leelanuwatana, Mr. Suchai Narongkananukul, Mr. Arnut Rattanapathimakorn, Mr. Wachara Poomarintr, Miss Sirikul Dhanasarnsilp and Mr. Chanin Ratanavijai, with the Company seal affixed.

2.1.5 Characteristic of Business Operation

Currently, the Company engages in manufacturing and distribution of non-woven fabric, products made of non-woven fabric, such as automotive parts; headlining, floor carpet, air filter, face mask, gown for the manufacturing industry and medical gown, raw materials of Industrial Textile and hire of work for manufacturing of related products.

TPCORP PRODUCTS FOR AUTOMOTIVE



Headlining



Rear Tray



Trunk Side & Trunk Mat



Seat Back



Under Seat Cover



Floor Carpet



Air Filter



Insulator Hood



Insulator Dash

Source: TPCORP

TPCORP Products for Medical Industry

We!care
HEALTHY LIVING PRODUCTS

HEALTH CARE SERIES
ผลิตภัณฑ์เพื่อสุขภาพ

หมวกกายนกน้อยเวลแคร์ ชนิดใช้แล้วทิ้ง
ลดการแพร่กระจายของเชื้อโรค ป้องกันการติดเชื้อ
แบบสัมผัส และใช้แล้ว
ผลิตจากโพลีเอสเตอร์ (3 ชั้น) ประกอบด้วยแผ่นกรอง
(Filter) ที่ดักจับอนุภาคในอากาศของเชื้อแบคทีเรีย
ขนาด 3 ไมครอน (BET) > 95%

ผ่านการทดสอบโดย
Nelson Laboratories Inc., U.S.A.

Back Support Belt อุปกรณ์พุงหลัง
เป็นผลิตภัณฑ์เสริมสุขภาพที่ช่วยพยุงและ
ลดอาการปวดหลังและคอ ช่วยลดความเสี่ยง
ในการเกิดโรคกระดูกสันหลัง

อุปกรณ์พุงหลัง
เพื่อเสริมสร้างสุขภาพ

อุปกรณ์พุง
กระดูกสันหลัง
และคอ

อุปกรณ์พุง
กระดูกสันหลัง
สำหรับงาน
อุตสาหกรรม

อุปกรณ์พุง
ข้อศอก

อุปกรณ์พุง
ข้อเข่า

หมวกกายนกน้อย
ชนิดใช้แล้วทิ้ง

Source: TPCORP

Other products manufactured by TPCORP

BOAT SAIL INDUSTRY
วัสดุสำหรับอุตสาหกรรมเรือใบ

จากการพัฒนาและปรับปรุงเครื่องจักรและกระบวนการผลิต
อย่างต่อเนื่อง TPCORP สามารถผลิตสายเคเบิลใยแก้วนำแสง
เส้น 0.1 มม. (0.1 mm) เพื่อใช้ในอุตสาหกรรมผลิตสายเคเบิล

RIGID BELT

HOSE REINFORCEMENT FABRIC

ผ้าเสริมความแข็งแรงของท่อใช้ในอุตสาหกรรม
TPCORP ได้พัฒนาผ้าเสริมความแข็งแรงของท่อส่งก๊าซ
และของเหลวอื่นๆ ตลอดจนท่อไฮดรอลิก โดยใช้ผลิตภัณฑ์สิ่งทอ
เป็นส่วนประกอบเพื่อเสริมความแข็งแรงของท่อ หรือเป็นแม่พิมพ์
สำหรับการขึ้นรูปท่อ บริษัทฯ สามารถผลิตวัสดุท่อที่นำไปประกอบ
ชิ้นส่วนการผลิตท่อต่างๆ



Source: TPCORP

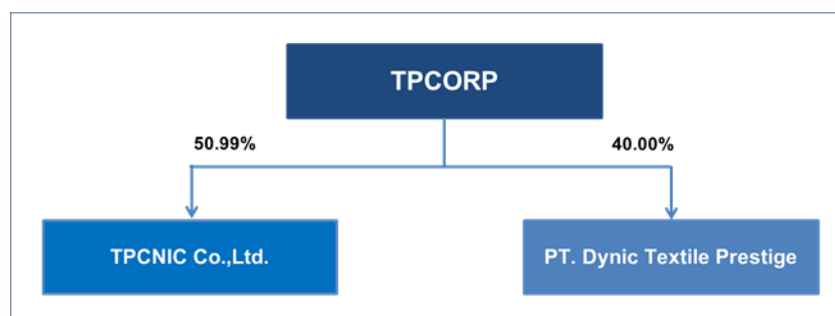
2.1.6 Business Structure of the Group of Companies

The Company's structure divides into 2 main businesses, manufacturing and distribution of textiles, specifically relate to underwear manufacturing and production and distribution of woven fabric. According to the Company's policy, the Company shall be responsible for manufacture its product and for key operational areas of production planning orders to its subsidiaries as well as control various administration matters, such as raw material procurement, information technology, accounting & finance, human resources, including marketing and products selling of the subsidiaries.

However, on October 12, 2015, the shareholders' meeting has passed a special resolution to approve the Company to dispose its textile business specifically relate to underwear manufacturing and transfer all of businesses of 3 of its subsidiaries, T.U.C. Elastic Company Limited, Prestige Plus Company Limited and Prestige Embroidery Company Limited, including 1 affiliate, Value Added Textile Company Limited to a newly established company, A TECH Textile Company Limited ("A TECH"), of which its major shareholder is the Company's major shareholder. The Company has transferred such businesses on February 1, 2016, as per scheduled and such subsidiaries/affiliate have registered for dissolution on February 25, 2016. Currently they are under liquidation process.

Money received from transfer of business related to underwear manufacturing has been used to invest in the connected or related business with the non-woven fabric manufacturing, such as automotive parts, i.e. non-woven fabric for headliner, insulator hood & dash, air filter, floor carpet, safety belt and pocket net, face mask and surgical gown and others, as well as to use as working capital. Consequently, in the future, it will make the Company have higher and better opportunity to have operating profits than keep on maintaining business relating to underwear manufacturing.

Thus, after business transfer, the Company shall focus on manufacturing and distribution of non-woven fabric, products made of non-woven fabric, such as automotive parts; headlining, floor carpet, air filter, face mask, gown for the manufacturing industry and medical gown, raw materials of Industrial Textile and hire of work for manufacturing of related products. Average capacity utilization rate of the Company is approximately 70.00% of total production capacity. Current business structure of the group is as follows:



Source: TPCORP

Revenue of the Company and its Subsidiaries

Revenue of the Company and its Subsidiaries come from 2 main businesses: 1) Fabric and yarn products to be used as raw materials for manufacturing of underwear, and 2) Non-woven fabric products. Revenue structure of the Company and its subsidiaries during 2014-2016 are detailed in below table:

(Unit: Million Baht)

Product/Service	Operated By	% of TPCORP's share holding	2014		2015		2016	
			Revenue	%	Revenue	%	Revenue	%
1. Fabric and Yarn Product	TPCORP	-	1,006.77	99.75	1,029.87	99.58	379.26	99.90
	T.U.C. Elastic Co., Ltd.*	52.24	1.47	0.15	2.19	0.21	0.18	0.05
	Prestige Plus Co., Ltd.*	99.99	0.72	0.07	1.71	0.17	0.06	0.02
	Prestige Embroidery Co., Ltd.*	99.99	0.31	0.03	0.49	0.05	0.15	0.03
Total			1,009.27	100.00	1,034.26	100.00	379.65	100.00
2. Non-woven Fabrics	TPCORP	-	821.84	99.18	783.08	99.26	809.04	99.25
	TPCNIC Co., Ltd.	50.99	6.83	0.82	5.87	0.74	6.13	0.75
Total			828.67	100.00	788.95	100.00	815.17	100.00

Source: TPCORP

***Remark:** On February 1, 2016, the Company sold its textile business specifically relate to underwear manufacturing and transferred all of businesses of 3 of its subsidiaries, T.U.C. Elastic Company Limited, Prestige Plus Company Limited and Prestige Embroidery Company Limited, including 1 affiliate, Value Added Textile Company Limited to a newly established company, A TECH Textile Company Limited ("A TECH"), of which its major shareholder is the Company's major shareholder.

2.1.7 Performance and Financial Positions

According to financial statements for the year 2014-2016 audited by Mrs. Kwunjai Kiatgungwalgri, Certified Public Account No. 5875 from ASV & Associates Limited, performance and financial position of the Company and the subsidiaries can be summarized as follows:

Statement of Comprehensive Income (Consolidated Financial Statement)

(Unit: Million Baht)

Description	Audited		Audited		Audited	
	2014*		2015		2016	
	Amount	%	Amount	%	Amount	%
Continuing Operations						
Revenue from Sales and Services	952.59	100.00	931.72	100.00	1,091.49	100.00
Cost of Sales and Services	797.40	83.71	755.38	81.07	852.36	78.09
Gross Profit	155.19	16.29	176.34	18.93	239.13	21.91
Other income						
Interest revenue	6.87	0.72	12.36	1.33	11.47	1.05
Rental revenue	5.81	0.61	5.69	0.61	16.78	1.54
Dividend income	15.72	1.65	14.33	1.54	24.00	2.20
Profit from assets and liabilities disposition pursuant to business transfer contract	-	-	-	-	179.90	16.48
Profit from fixed assets disposition	0.11	0.01	0.32	0.03	0.53	0.05
Others	17.72	1.86	19.52	2.10	51.51	4.72
Total other income	46.23	4.85	52.22	5.60	284.19	26.04
Profit before expense	201.42	21.14	228.56	24.53	523.32	47.95
Expenses						
Selling expenses	46.26	4.86	45.40	4.87	42.69	3.91
Administrative expenses	46.19	4.85	54.48	5.85	91.40	8.37
Allowance for diminution in value of investments	4.09	0.43	8.68	0.93	7.51	0.69
Directors' remuneration	3.29	0.35	3.16	0.34	7.27	0.67
Finance costs	0.00	0.00	0.00	0.00	-	-
Share of loss of associated	4.59	0.48	13.65	1.47	7.80	0.71
Total expenses	104.42	10.96	125.37	13.46	156.67	14.35
Profit before income tax expense	96.99	10.18	103.19	11.07	366.65	33.59
Tax income (expenses)	0.44	0.05	11.28	1.21	(59.59)	(5.46)
Net profit for the year from continuing operations	97.43	10.23	114.47	12.28	307.06	28.13
Net profit (loss) for the year from discontinued operations	(10.00)	(1.05)	(39.44)	(4.23)	(11.23)	(1.03)
Net Profit for the Year	87.43	9.18	75.03	8.05	295.83	27.10
Other comprehensive income for the year	21.17	2.22	(21.64)	(2.32)	(2.48)	(0.23)
Total Comprehensive Income for the Year	108.60	11.40	53.39	5.73	293.35	26.88

*Remark: Consolidated financial statement of 2014 has been reclassified to make it consistent with the consolidated financial statements of 2015 onwards because on February 1, 2016, the Company sold and transferred of textile business which specifically relate to underwear manufacturing and 3 of its subsidiaries, T.U.C. Elastic Company Limited, Prestige Plus Company Limited and Prestige Embroidery Company Limited, including 1 affiliate, Value Added Textile

Company Limited to a newly established company, A TECH Textile Company Limited ("A TECH"), of which its major shareholder is the Company's major shareholder.

Summary on Business's Operating Results

During 2015, the Company's revenues from sales and services of the continuing operations equaled to Baht 931.72 million, decreasing by Baht 20.89 million from 2014 which was at Baht 952.59 million due to standstill on automotive manufacturing and distribution sectors which were pursuant to the stagnation of economic situation. However, in 2015, gross profit of the Company and its subsidiaries rose by Baht 21.15 million to Baht 176.34 million, when compared with 2014 which was recorded at Baht 155.19 million. While other income in 2015 was Baht 52.22 million, an increase by Baht 5.99 million, when compared with 2014 primarily due to dividend and interest revenue from short-term investments.

The Company's selling expenses in 2015 was recorded at 125.37 million Baht, an increase by 20.95 million Baht, when comparing with 2014 which was at 104.42 million Baht, which was attributable to the increased share of loss of associate of 9.06 million Baht in 2015. Such associate recorded the loss because it has been impacted from the economic slowdown, so its performance has not achieved as per the plan. Administrative expenses in 2015 were 54.48 million Baht, an increase by 8.29 million Baht, when comparing with 2014 which was at 49.16 million Baht because the Company paid expenses to the consultants on business transfer and dissolution. Thus in 2015, the Company's net profit for the year from continuing operations equaled to 114.47 million Baht, an increase by 17.04 million Baht, when comparing with that of 2014 which was at 97.43 million Baht. Nonetheless in 2014 and 2015, the Company realized net loss for the year from discontinuing operations at 10.00 million Baht and 39.44 million Baht, respectively. Consequently, net profit for the year of the Company in 2014 and 2015 was 87.43 million Baht and 75.03 million Baht, respectively.

In 2016, The Company's revenue from sales and services was 1,091.49 million Baht, increasing 159.78 million Baht, when compared with year 2015 which was at 931.72 million Baht due to higher gross profit of current business performance than that of the disposed and transferred businesses coupled with the recovery of domestic economic conditions during the end of the year. Such positive results made the Company's gross profit in 2016 reached 239.13 million Baht, increasing 62.79 million Baht, when comparing with 2015 which was at 176.34 million Baht. In addition, the Company's other revenues in 2016 were equaled to 284.19 million Baht, increasing 231.97 million Baht, comparing with that of 2015 which was at 52.22 million Baht which was the result of realization of profit from assets and liabilities disposition pursuant to business transfer contract amounted to 179.90 million Baht arising from the disposition and transfer of its textile business which specifically relate to underwear manufacturing and businesses of 3 of its subsidiaries, T.U.C. Elastic Company Limited, Prestige Plus Company Limited and Prestige Embroidery Company Limited, including 1 affiliate, Value Added Textile Company Limited to a newly established company, A TECH Textile Company Limited ("A TECH"), of which its major shareholder is the Company's major shareholder. The Company has transferred such businesses on February 1, 2016, as per scheduled, hence, the Company's

net profit in 2016 was 295.83 million Baht, increasing 220.80 million Baht, when comparing with that of 2015 which was at 75.03 million Baht.

Statements of Financial Position (Consolidated Financial Statement)

(Unit : Million Baht)

Description	Audited		Audited		Audited	
	2014*		2015		2016	
	MBaht	%	MBaht	%	MBaht	%
Assets						
Current Assets						
Cash and cash equivalent	148.68	5.66	99.19	3.90	180.11	6.94
Temporary investments	420.47	16.01	553.20	21.73	884.03	34.05
Trade and other receivables	389.50	14.83	171.53	6.74	255.84	9.85
Short-term loans to related companies	30.00	1.14	30.00	1.18	51.83	2.00
Inventories	349.46	13.31	86.94	3.42	77.35	2.98
Other current assets	8.55	0.33	3.73	0.15	5.55	0.21
Non-current assets held for sale	-	-	618.59	24.30	-	-
Total Current Assets	1,346.66	51.27	1,563.18	61.41	1,454.71	56.03
Non-current Assets						
Investments in associate company - net	69.44	2.64	54.06	2.12	47.82	1.84
Investments in related and other companies - Net	203.68	7.75	195.73	7.69	222.61	8.57
Investments in available-for-sale securities - net	144.45	5.50	129.13	5.07	127.26	4.90
Held-to-maturity investments	-	-	60.00	2.36	30.00	1.16
Investment properties - net	140.48	5.35	140.48	5.52	206.51	7.95
Property, plant and equipment - net	684.47	26.06	357.27	14.04	454.85	17.52
Intangible assets - net	5.11	0.19	4.26	0.17	4.16	0.16
Deferred tax assets	31.46	1.20	40.78	1.60	47.86	1.84
Other non-current assets	0.76	0.03	0.51	0.02	0.48	0.02
Total Non-Current Assets	1,279.85	48.73	982.22	38.59	1,141.55	43.97
Total Assets	2,626.51	100.00	2,545.41	100.00	2,596.26	100.00
Liabilities and Shareholders' Equity						
Current liabilities						
Trade and other payable	226.94	8.64	119.72	4.70	172.52	6.64
Accrued corporate income tax	2.40	0.09	-	-	8.63	0.33
Other current liabilities	5.25	0.20	6.98	0.27	5.29	0.20
Liabilities directly related to non-current assets held for sale	-	-	136.25	5.35	-	-
Total Current Liabilities	234.59	8.93	262.94	10.33	186.43	7.18

Description	Audited		Audited		Audited	
	2014*		2015		2016	
	MBaht	%	MBaht	%	MBaht	%
Non-current Liabilities						
Current provision for employees benefit	112.81	4.30	48.11	1.89	52.71	2.03
Deferred tax liabilities	21.58	0.82	18.24	0.72	17.87	0.69
Other non-current liabilities	0.66	0.03	0.60	0.02	4.03	0.16
Total Non-current Liabilities	135.06	5.14	66.95	2.63	74.60	2.87
Total Liabilities	369.65	14.07	329.89	12.96	261.04	10.05
Shareholders' Equity						
Authorized share capital	108.00	4.11	108.00	4.24	108.00	4.16
Issued and paid share capital	108.00	4.11	108.00	4.24	108.00	4.16
Premium on ordinary shares	110.40	4.20	110.40	4.34	110.40	4.25
Retained earning						
Appropriated						
Legal reserve	10.80	0.41	10.80	0.42	10.80	0.42
General reserve	126.74	4.83	132.08	5.19	138.06	5.32
Unappropriated	1,655.57	63.03	1,680.88	66.04	1,807.26	69.61
Other components of shareholders' equity	86.34	3.29	64.69	2.54	64.25	2.47
Equity attributable to parent company	2,097.85	79.87	2,106.85	82.77	2,238.77	86.23
Non-controlling interest	159.01	6.05	108.66	4.27	96.45	3.72
Total Shareholders' Equity	2,256.86	85.93	2,215.52	87.04	2,335.22	89.95
Total Liabilities and Shareholders' Equity	2,626.51	100.00	2,545.41	100.00	2,596.26	100.00

***Remark:** Consolidated financial statement of 2014 has been reclassified to make it consistent with the consolidated financial statements of 2015 onwards because on February 1, 2016, the Company sold its textile business specifically relate to underwear manufacturing and transferred all of businesses of 3 of its subsidiaries, T.U.C. Elastic Company Limited, Prestige Plus Company Limited and Prestige Embroidery Company Limited, including 1 affiliate, Value Added Textile Company Limited to a newly established company, A TECH Textile Company Limited ("A TECH"), of which its major shareholder is the Company's major shareholder.

Financial Ratio

Item		2014*	2015	2016
Current ratio	Time	5.74	5.95	7.80
Debt to equity ratio	Time	0.16	0.15	0.11
Return on equity	%	3.93	3.35	13.00
Gross profit margin	%	16.29	18.93	21.91
Net profit margin	%	8.75	7.62	21.50

***Remark:** Financial ratio of 2014 has been calculated from consolidated financial statement of 2014 which has been reclassified to make it consistent with the consolidated financial statements of 2015 onwards because on February 1,

2016, the Company sold its textile business specifically relate to underwear manufacturing and transferred all of businesses of 3 of its subsidiaries, T.U.C. Elastic Company Limited, Prestige Plus Company Limited and Prestige Embroidery Company Limited, including 1 affiliate, Value Added Textile Company Limited to a newly established company, A TECH Textile Company Limited ("A TECH"), of which its major shareholder is the Company's major shareholder.

Summary of Financial Status

As at ending of 2015, the Company's total assets were 2,545.41 million Baht, a decrease by 81.10 million Baht, when comparing with those of 2014 which were at 2,626.51 million Baht because the Company's subsidiaries paid interim dividend, which led to the reduced financial liquidity. The Company's liabilities as at ending of 2015 equaled to 329.89 million Baht, a decrease by 39.76 million Baht, when comparing with the same period of 2014 which were at 369.65 million Baht, due to the decrease of trade liabilities. Equity attributable to parent company as at ending of 2015 was 2,106.85 million Baht, an increase by 9.00 million Baht when compared with the same period of 2014 which was at 2,097.85 million Baht because 2 of its subsidiaries paid interim dividend and in 2015, its subsidiary and affiliate recorded the loss, therefore, non-controlling interest was at 108.66 million Baht, a decrease by 50.35 million Baht, when compared with ending of 2014, which was at 159.01 million Baht.

As at ending of 2015, total liabilities of the Company was 2,596.26 million Baht, an increase by 50.85 million Baht, comparing with the same period of 2014, which was at 2,545.41 million Baht. The reason was that the Company increased investments in Asahi Kasei Spunbond (Thailand) Co., Ltd. by 25.50 million Baht, when compared with amount in 2014. The Company's net property, plant and equipment in 2015 equaled to 454.85 million baht, an increase by 97.58 million Baht, when compared with 2014 which was at 357.27 million Baht because the Company increased investment in plant and buildings amounted to 175.71 million Baht, where most of them were value of properties during installation which equaled to 149.70 million Baht.

As at ending of 2016, the Company's total liabilities equaled to 261.04 million baht, a decrease by 68.85 million Baht, when compared with the same period of 2015 where total liabilities were 329.89 million Baht, because as at ending of 2016, the Company did not have liabilities directly related to non-current assets held for sale, despite such amount as at ending of 2015 was 136.25 million baht. Nonetheless, as at ending of 2016, equity attributable to parent company was 2,238.77 million Baht, an increased by 131.92 million Baht, when compared with the same period of ending of 2015 which was at 2,106.85 million Baht, mainly attributable to the increased accumulated retained earnings from operating results in 2016 where net profit of the Company was at 295.84 million Baht.

2.2 Saha Pathana Inter-Holding Public Company Limited (“SPI”)

2.2.1 General Information

Name	: Saha Pathana Inter-Holding Public Company Limited
Acronym	: SPI
Registered Number	: 0107537001340
Nature of Business	: Engage in 3 core businesses which are: Investment in share capital, rent and service, and industrials parks business
Address of Head Office	: No. 530, Soi Sathupradit 58, Bangpongpan Sub-district, Yannawa District, Bangkok 10120 Telephone No. 02 293-0030 Facsimile: 02 293-0040 www.spi.co.th
Registered Capital	: 800,000,000.00 Baht, at par value of 1 Baht per share
Paid-up Capital	: 494,034,300.00 Baht, at par value of 1 Baht per share

2.2.2 Registered Capital

Presently, SPI's registered capital is 800,000,000 with paid-up capital of 494,034,300, divided into 494,034,300 ordinary shares at par value of 1.00 Baht per share. Top 10 shareholders as of the closing date of registration book on November 29, 2016 are:

	List of Shareholders	No. of Shares Held	%
1	Chokwatana Co., Ltd.	81,562,322	16.51
2	I.C.C. International Public Co., Ltd.	49,241,856	9.97
3	Saha Pathanapibul Public Co., Ltd.	38,159,873	7.72
4	SMBC Nikko Securities Inc.	20,220,550	4.09
5	Uni Central Co., Ltd.	20,195,960	4.09
6	Mr. Weerapat Punsak-udomsin	18,835,100	3.81
7	Nomura Securities Co., Ltd.	17,625,000	3.57
8	I.D.F. Co., Ltd.	15,746,216	3.19
9	Uni Wealth Co., Ltd.	13,740,310	2.78
10	Mr. Sakorn Suksriwong	10,168,200	2.06
11	Other shareholders	208,538,913	42.21
	Total	494,034,300	100.00

2.2.3 Board of Directors

Board of Directors of Saha Pathana Inter-Holding Public Co., Ltd. as at March 3, 2017, comprises of 17 members, namely:

	Board of Directors	Position
1	Mr. Boonsithi Chokwatana	Chairman / Chairman of the Executive Board
2	Mr. Boonpakorn Chokvathana	Vice Chairman
3	Mr. Tanong Srichit	President
4	Mr. Vichai Kulsomphob	Director
5	Mr. Samrerng Manoonpol	Director
6	Mr. Manu Leelanuwatana	Director
7	Miss Sirikul Dhanasarnsilp	Director
8	Mr. Karmthon Punsak-Udomsin	Director
9	Mr. Boonkiet Chokwatana	Director
10	Mr. Pipat Paniangvait	Director
11	Mr. Boonchai Chokwatana	Director
12	Mr. Sujarit Patchimnan	Director
13	Mr. Nophorn Bhongsvej	Independent Director and Chairman of Audit Committee
14	Mrs. Punnee Worawuthichongsathit	Independent Director and Audit Committee
15	Pol. Lt. Gen. Amarin Niemsakul	Independent Director and Audit Committee
16	Mr. Sompong Sungrungsan	Independent Director
17	Mr. Surachai Danaitangtrakul	Independent Director

Remark*: On March 3, 2017, SPI has informed the resignation of Mr. Akira Murakoshi, and no other director has been appointed to replace him or there is any change which is different from the information mentioned in the table.

The signatory directors to sign and bind the Company are any two of the following directors jointly signed and affixed with the Company's seal: Mr. Boonpakorn Chokvathana, Mr. Boonsithi Chokwatana, Mr. Samrerng Manoonpol, Mr. Boonkiet Chokwatana, Mr. Tanong Srichit, Mr. Karmthon Punsak-Udomsin, Mr. Pipat Paniangvait, Mr. Manu Leelanuwatana, Mr. Boonchai Chokwatana, Mr. Vichai Kulsomphob, Miss Sirikul Dhanasarnsilp.

2.2.4 Characteristic of Business Operation

SPI has 3 core businesses which are (1) Investment in share capital, (2) Rent and service and (3) Industrials parks business, with details as follows:

1) Investment in share capital

SPI has invested in share capital in various businesses with an objective to add value to the Company in the long term. SPI has invested in the businesses that enhance other businesses undertaken by Saha Group or in business that will possibly be undertaken in the future due to its profitable potentiality. SPI will therefore get the return in the form of dividends. In 2015, SPI increased investments in 5 companies, accounting for 217.40 million Baht and withdrew investments in 2 companies due to dissolution and written off. As of 31 December 2015, the Company has investments in the shares of 153 companies in total. SPI currently invests in three major lines of businesses which are production, distribution and services & other businesses.

2) Rental and Service Business

Rental and service business is operated by SPI with the objective of accommodating the growth and enhancing the competitiveness of all companies in Saha Group, which can be divided into 4 categories as follows:

(1) Rental and Service: This business which is operated by SPI includes land and building leasing and utility services, i.e. water treatment service, infirmary service and other. SPI also expanded this service to Mae Kasa Sub-district, Mae Sot District in Tak Province and leasing of retail shop in J-Park Sriracha Nihon Mura, Tambon Surasak, Amphur Sriracha, Chonburi Province. SPI receives return in the form of rental and utility fees. SPI also obtains electricity supply license and electricity distribution system license within Saha Group Industrial Park Sriracha to render services to customers located therein.

(2) Consultation: SPI provides consultation, business planning, management and implementation of new projects to Saha Group. The return is in the form of consultation and service fees.

(3) Trademark License: SPI provides trademark and licensing business to the companies of Saha Group, which can be divided into 2 types, domestic and international brand licenses.

(4) Hotel and golf course service: SPI operates 18 holes golf course including hotel in Tambon Wangtan, Amphur Kabinburi, Prachinburi Province, which is the only accommodation in Prachinburi which is located in the golf course. SPI gains return in the form of golf course fee, food and beverage, accommodation. In 2015, SPI has launched Haripunchai Golf Club, a 9 hole-golf course located within Saha Group Industrial Park Lamphun, Amphur Muang Lamphun, Lamphun Province.

3) Industrial Parks

SPI operates business of land development for industrial purposes to support the expansion of production capacity of the group and to respond to the government's policy of income distribution in rural areas with management services pursuant to corporate governance principles. Currently, SPI operated 3 industrial parks as follows:

1). Saha Group Industrial Park Sriracha. This industrial park has been commenced by SPI in 1977 and it is located in Laemchabang Municipality, around Moo. 11, Nongkham Sub-district, and Moo. 1,

Bung Sub-district, Sriracha District, Chonburi Province. It has total areas of approximately 1,800 rai with utilities and facilities provided.

2). Saha Group Industrial Park Kabinburi. It has been commenced in 1989 and it is located in Nonsri Sub-district and Wangtan Sub-district, Kabinburi District, Prachinburi Province. It has total areas of approximately 3,900 rai with utilities and facilities provided.

3). Saha Group Industrial Lamphun. It has been commenced in 1989 and it is located in Pasak Sub-district and Wiangyong Sub-district, Muang Lamphun District, Lamphun Province. It has total areas of approximately 2,200 rai with utilities and facilities provided.

2.2.5 Operating Results and Financial Position

SPI's financial statements of 2014-2016 have been audited by Mrs. Suvimol Krittayakiern, Certified Public Accountant Registration No. 2982 and Miss Somjintana Pholhirunrat, Certified Public Accountant Registration No. 5599 of D I A International Audit Co., Ltd. Performance and financial position of SPI and its subsidiaries are summarized as follows:

Comprehensive Income Statement (Consolidated Financial Statements)

(Unit : Million Baht)

Item	Audited		Audited		Reviewed	
	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
Revenues						
Facility income	2,239.83	53.59	2,041.38	49.55	2,026.17	46.22
Sales of real estate	170.89	4.09	181.88	4.42	271.80	6.20
Consulting and services income	368.77	8.82	388.07	9.42	397.29	9.06
Sales of goods	76.72	1.84	-	-	-	-
Share of profit from investment in associates by equity method	1,127.97	26.99	1,264.08	30.69	1,318.83	30.09
Dividend income	195.52	4.68	244.03	5.92	369.24	8.42
Total revenues	4,179.70	100.00	4,119.44	100.00	4,383.33	100.00
Cost						
Cost of facility	2,076.09	49.67	1,863.20	45.23	1,844.54	42.08
Cost of sales of real estate	16.65	0.40	20.67	0.50	63.36	1.45
Cost of services	255.87	6.12	305.75	7.42	328.69	7.50
Cost of goods sold	74.86	1.79	-	-	-	-
Total expenses	2,423.46	57.98	2,189.62	53.15	2,236.59	51.02
Gross profit	1,756.24	42.02	1,929.82	46.85	2,146.74	48.98
Other income						
Gain on disposal of assets	0.53	0.01	0.06	0.00	4.20	0.10
Gain on investment	0.04	0.00	6.42	0.16	4.41	0.10
Reversible impairment loss of investment	4.03	0.10	3.24	0.08	21.00	0.48
Reversible impairment loss of assets	-	-	56.73	1.38	-	-
Reversible loss on guarantee	-	-	8.35	0.20	-	-
Gain on exchange rate	2.27	0.05	0.28	0.01	0.39	0.01
Interest income	1.81	0.04	3.73	0.09	1.04	0.02
Others	20.75	0.50	12.49	0.30	15.95	0.37
Total revenues	29.44	0.70	91.30	2.22	47.00	1.07
Profit before expenses	1,785.68	42.72	2,021.12	49.06	2,193.74	50.05
Expenses						
Administrative expenses	476.24	11.39	493.14	11.97	490.86	11.20
Share of loss on investment in associates by equity method	47.45	1.14	77.54	1.88	51.29	1.17
Other expenses:						
Loss on exchange rate	0.50	0.01	0.53	0.01	0.06	0.00
Loss on investments	-	-	-	-	9.33	0.21

Item	Audited		Audited		Reviewed	
	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
Impairment loss of investment	56.66	1.36	85.82	2.08	38.62	0.88
Impairment loss of real estate for sale	-	-	8.94	0.22	-	-
Loss on disused of assets	0.92	0.02	-	-	-	-
Loss on investment	-	-	-	-	1.82	0.04
Doubtful accounts	1.52	0.04	-	-	-	-
Total expenses	583.29	13.96	665.96	16.17	591.99	13.51
Profit before interest expenses and income tax	1,202.39	28.77	1,355.16	32.90	1,601.75	36.54
Interest expenses	57.66	1.38	46.69	1.13	43.77	1.00
Profit before income tax	1,144.72	27.39	1,308.47	31.76	1,557.98	35.54
Tax income (expenses)	5.42	0.13	8.62	0.21	(11.28)	(0.26)
Net profit for the year	1,150.14	27.52	1,317.09	31.97	1,546.70	35.28
Other comprehensive income for the year	738.25	17.66	(185.75)	(4.51)	489.21	11.16
Total comprehensive income for the year	1,888.40	45.18	1,131.34	27.46	2,035.90	46.44

Source: www.set.or.th**Statement of Financial Position (Consolidated Financial Statements)**

(Unit : Million Baht)

Items	Audited		Audited		Reviewed	
	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets						
Cash and cash equivalents	81.20	0.37	337.53	1.46	104.14	0.42
Trade and other receivables – related parties	218.97	1.00	165.73	0.72	174.64	0.70
Trade and other receivables – others	33.76	0.15	28.55	0.12	30.79	0.12
Short-term loans to related parties	30.00	0.14	-	-	-	-
Inventories	1.90	0.01	2.22	0.01	2.43	0.01
Total current assets	365.84	1.67	534.03	2.31	311.99	1.25
Non-current assets						
Investments in associated companies – by using equity method	12,879.41	58.93	13,638.77	59.07	14,882.15	59.82
Investments in related parties						
- Available-for-sale investments	3,059.43	14.00	2,847.60	12.33	3,219.26	12.94
- Other long-term investments	1,209.40	5.53	1,211.89	5.25	1,404.18	5.64
Other long-term investments						

Items	Audited		Audited		Reviewed	
	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
- Available-for-sale investments	64.44	0.29	183.65	0.80	111.99	0.45
- Other long-term investments	48.26	0.22	41.82	0.18	41.82	0.17
Real estate under to buy and to sell contract	45.33	0.21	59.35	0.26	0.62	0.00
Real estate for sale	641.14	2.93	722.00	3.13	631.52	2.54
Investment properties	2,061.65	9.43	2,365.81	10.25	2,778.97	11.17
Property, plant and equipment	1,203.53	5.51	1,178.61	5.10	1,232.18	4.95
Intangible assets	12.32	0.06	11.13	0.05	10.52	0.04
Deferred tax assets	172.24	0.79	181.02	0.78	161.96	0.65
Other non-current assets	91.27	0.42	112.14	0.49	89.24	0.36
Total non-current assets	21,488.41	98.33	22,553.79	97.69	24,564.41	98.75
Total assets	21,854.25	100.00	23,087.82	100.00	24,876.41	100.00
Liabilities and shareholders' equity						
Current liabilities						
Bank overdrafts and loans from financial institution	213.40	0.98	-	-	560.00	2.25
Trade and other payables	253.19	1.16	335.45	1.45	252.72	1.02
Current portion of long-term debt	366.68	1.68	300.00	1.30	300.00	1.21
Total current liabilities	833.27	3.81	635.45	2.75	1,112.72	4.47
Non-current liabilities						
Investments payable	0.60	0.00	0.60	0.00	0.60	0.00
Amount received in advance	79.40	0.36	32.87	0.14	24.52	0.10
Deposits	77.55	0.35	83.16	0.36	94.62	0.38
Long-term loans	966.64	4.42	1,500.00	6.50	900.00	3.62
Contingent liabilities from guarantees	12.92	0.06	4.57	0.02	4.57	0.02
Employee benefit obligations	96.36	0.44	72.44	0.31	56.49	0.23
Deferred tax liabilities	433.88	1.99	401.48	1.74	452.76	1.82
Total non-current liabilities	1,667.34	7.63	2,095.12	9.07	1,533.56	6.16
Total liabilities	2,500.61	11.44	2,730.57	11.83	2,646.29	10.64
Shareholders' equity						
Share capital	800.00	3.66	800.00	3.47	800.00	3.22
Authorized share capital	494.03	2.26	494.03	2.14	494.03	1.99
Premium on share capital	1,041.36	4.77	1,041.36	4.51	1,041.36	4.19
Premium on treasury stock of associated companies	6.15	0.03	6.15	0.03	6.15	0.02
Premium on share-based payment reserve of associated companies	13.93	0.06	-	-	-	-
Retained earnings						
Appropriated						

Items	Audited		Audited		Reviewed	
	2014		2015		2016	
	Amount	%	Amount	%	Amount	%
Legal reserve	80.00	0.37	80.00	0.35	80.00	0.32
General reserve	280.00	1.28	280.00	1.21	280.00	1.13
Unappropriated	13,923.65	63.71	15,177.78	65.74	16,548.00	66.52
Other components of equity	3,514.52	16.08	3,277.93	14.20	3,780.58	15.20
Total shareholders' equity	19,353.64	88.56	20,357.25	88.17	22,230.12	89.36
Total liabilities and shareholders' equity	21,854.25	100.00	23,087.82	100.00	24,876.41	100.00

Source : www.set.or.th

Financial Ratio

Items		2014	2015	2016
Current Ratio	Time	0.44	0.84	0.28
Gross profit margin	%	42.02	46.59	48.98
Net profit margin	%	27.32	31.28	34.91
Return on equity	%	6.28	6.63	7.26
Debt to equity ratio	Time	0.13	0.13	0.12

Part 3: Opinion of Independent Financial Advisor on Reasonableness of Transactions

3.1 Objectives of Transactions

The Company shall purchase the land where its factories are located in Saha Group Industrial Park (Sriracha) from SPI pursuant to title deed no. 225020, plot of land no. 6134, with areas of approximately 12-1-87 rais, located in Tambon Nongkham, Amphur Sriracha, Chonburi Province, at the purchase price of 12.00 million Baht per rai, or at a total purchase price of 149.61 million Baht. Term of payment is divided into 5 installments, without any interest, at 29,922,000 Baht per installment. The Purchaser and the Seller shall be equally responsible for land transfer fee, land purchase tax, excise and all other expenses in connection with the land.

The completion of land purchase transaction will result in the termination of the existing land lease agreement that the Company executed with SPI. Therefore the Company does not have to pay the remaining land lease fee up to January 31, 2018 as well as to transfer the ownership of all of buildings and structures owned by the Company which are located on such land to SPI, the lessor, after the expiry of the lease agreement (as per specified in the land lease agreement between the Company and SPI dated February 1, 1988). Hence, the ownership of all buildings and structures will still belong to the Company.

3.2 Necessity of Transaction

The Company's factories are located within Saha Group Industrial Park since the beginning of its business in 1988, and it has been operated business for approximately 29 years up to present time. As the Company's business is regarded as midstream of textile industry, so the Company has to rely on the suppliers who are mostly situated in Saha Group Industrial Park and nearby provinces, hence, such location makes transportation of raw materials for manufacturing conveniently, speedy and economically and most of the manufacturing employees are resided in areas close to the factories. In addition, this Industrial Park is fully equipped with completed infrastructure, utilities system and facilities, for instance, the power plant of Saha Cogen Public Co., Ltd., (Chonburi) which is located nearby can supply adequate back-up electricity throughout 24 hours. It also has common water treatment system and reservoir which can reserve raw water of 850,000 cu.m. including water supply production system which has production capacity of 20,000 cu.m. per day. Such water treatment and water supply production system are very crucial for the Company which engages in business of textile and non-woven fabric business. Additionally, the Company's location is the manufacturing and transportation center in Eastern Region which has convenient transportation system to various regions of the country. Furthermore, SPI, the project manager of Saha Group Industrial Park, is also the Company's shareholder, so the negotiation on price and conditions relating to usage of common areas including infrastructure of the industrial park can be done easily and conveniently.

With regards to present conditions of the factory buildings, canteen and available warehouses, it is anticipated that they can be used for at least 20 years. In addition, there are adequate areas to install

additional machineries to increase production capacity of approximately 10% of the current production capacity. The 20 sets of existing machineries also have good conditions and well-functioning because they have been maintained on continued basis.

Due to the above reason, the Company is necessary to continue using areas and factories located in Saha Group Industrial Park (Sriracha) for its business operations.

However, the existing land lease agreement, of which the company's factories are located within Saha Group Industrial Park (Sriracha) in title deed no. 225020, plot of land no. 6134, with areas of approximately 12-1-87 rais, located in Tambon Nongkham, Amphur Sriracha, Chonburi Province executed by the Company and SPI will be expired on January 31, 2018 and such agreement specified that the ownership of all of its buildings and structures on such land will belong to SPI, the lessor, after the expiry of the lease agreement. In case the Company wishes to renew the agreement, it is required to pay lease fees for building and structures located on such land pursuant to usable areas of 19,105 square meters in total, apart from land lease fee pursuant to the existing agreement. Consequently, the Company will incur additional expenses accounting for 34.39 million Baht per year, or at the rate of 150 Baht per square meter per month, as per the rate specified by SPI, as the Lessor or the Project Manager of Saha Group Industrial Park. Hence, the Company has necessity to purchase such land from SPI at the rate of 12.00 million Baht per rai, or approximately 149.61 million Baht in total. Payment will be divided into 5 installments at approximately 29.92 million Baht each with terms of payment as follows:

- 1st Installment: Within 30 days from the execution date of land sale and purchase agreement.
- 2nd installment: Within 1 year after the payment date of the 1st installment.
- 3rd installment: Within 1 year after the payment date of the 2nd installment
- 4th installment: Within 1 year after the payment date of the 3rd installment.
- 5th installment: On the land ownership transferring date.

The Company and SPI shall effect the registration of the transfer of ownership of land within 1 year from the payment date of the 4th installment. The Purchaser and the Seller agree to be equally responsible for land transfer fee, land purchase tax, excise and all other expenses in connection with land ownership transfer. Such purchase price is lower than the appraisal price of the independent appraiser which appraised value of the land including the buildings at 165.23 million Baht (where land has been appraised by using method of market approach and buildings have been appraised by applying cost approach).

The entry into this transaction will result in the termination of the existing land lease agreement that the Company executed with SPI, as the Lessor. Therefore the Company does not have to pay the remaining land lease fee up to January 31, 2018 as well as to transfer the ownership of all of buildings and structures owned by the Company which are located on such land to SPI after the expiry of the lease agreement. Hence, the ownership in all buildings and structures shall still belong to the Company.

3.3 Advantages of Entering into Transaction

3.3.1 The Company will have ownership in land including factory buildings located in such land

After entering into this transaction, the ownership of land including buildings, office building, factories and other structures owned by the Company which are located on such land shall belong to the Company and the Company does not have to transfer the ownership of all of the buildings and structures on such land which are crucial for business operations of the Company to SPI, the lessor, as per specified in the lease agreement. Such lease agreement stated that immediately after the expiry of the lease agreement, the ownership in all buildings and structures shall still belong to SPI, as the Lessor.

3.3.2 The Company can save lease fee to be paid after the expiry of the lease agreement

As the existing land lease agreement will be expired on January 31, 2018 and in case the Company wishes to renew the agreement, the Company is required to pay lease fee for building and structures located on such land pursuant to usable areas which are 19,105 square meters in total, apart from land lease fee amounting to 0.82 million Baht per year pursuant to the existing agreement. Consequently, the Company will incur additional expenses for building lease fees amounting to Baht 34.39 million per year (such fee excludes land lease fee), as per the rate specified by SPI, as the Lessor or the Project Manager of Saha Group Industrial Park. However, if the Company purchases such land from SPI, the Company has to pay 149.61 million Baht and it could be divided into 5 installments, each with 29.92 million Baht. Hence the money that the Company is required to pay for purchase such land is only 29.92 million Baht per year, which is lower than the combined land lease fee and building lease fee per year. Moreover, it will also make the Company have ownership in such land including structures and factory buildings owned by the Company which are located on such land.

3.3.3 The Company will not have risk from exposure to lease rate adjustment in the future

After the expiry of the land lease agreement, the ownership in all buildings owned by the Company which are located in such land will belong to SPI, the lessor, as per conditions specified in such agreement. If the Company wishes to renew the land lease agreement including buildings owned by the Company which are located on such land, the Company will incur additional expenses for building lease fees apart from land lease fee at the rate specified by SPI. In addition, the Company may have risk from exposure to adjustment of lease fees, depending on lease rate adjustment of SPI, so it will make the Company has additional expenses from the increased lease fee. However, after entering into this transaction, the ownership in land and all buildings owned by the Company which are located in such land will belong to the Company, so the Company does not have to face risk from adjustment of lease fee in the future. When referring to appraisal report of the independent appraiser on lease rate of the lands located closed to Saha Group Industrial Park, the increase rate is approximately 3-5 percent per year

3.3.4 The Company will save investments from construction of new factory

As the Company has to transfer the ownership in all factory buildings and structures of the Company which are the manufacturing planta located in such land to SPI, the lessor after the expiry of the

land lease agreement, as per conditions specified in such agreement. If the Company does not wish to lease the land which has its factory buildings, the Company has to acquire new land and construct a new factory, which will use a lot of investments. Hence, after entering into this transaction, the Company will have ownership in land including the factory buildings which can make the Company save investment cost on procurement of new land and construction of new factory.

3.3.5 The Company does not have to waste time and revenues from relocation of factory including installation of new machineries

If the Company does not wish to continue leasing the existing land, the Company is required to procure a new land and construct a new factory, including relocate and install the new machineries. The Company may face many problems caused by relocation of manufacturing base, such as delay of construction, problems on moving and installation of new machineries, stoppage of manufacturing for construction of new factory as well as installation of new machineries. Hence, after entering into this transaction, the Company will have ownership in land including the factory buildings, so the Company does not need to relocate the factory as well as move and install new machineries and subsequently can avoid such risks.

3.3.6 Gain additional value of land which will be averagely adjusted at 3-5 percent per year

The entry into this transaction will make the Company has ownership in land including factory buildings and structures located on such land and the Company will have additional value of land which is approximately 3-5 percent per year, according to the assets appraisal report of the independent appraiser who conducted survey of the nearby areas, which stated that the increased rate of such land is approximately 3-5 percent per year.

3.4 Impact from Entering into Transaction

3.4.1 The purchase price of the land includes value of buildings and structures on the land which are the Company's assets

For entering into this transaction, the Company will purchase such land from SPI at the rate of 12.00 million Baht per rai, or totaling 149.61 million Baht, which is the general proposed price specified by SPI to all companies who are interested to construct the factory within the industrial estate. However when compared with the appraised price of land and such buildings by the independent appraiser which is at 165.23 million Baht, comprising of 59.85 million Baht for the land and 105.83 million Baht for the buildings situated on the land. As the buildings located on the land are currently still the Company's assets, therefore, it seems that such price of land included value of the buildings currently belong to the Company. Nonetheless, the Company is necessary to purchase such land due to the reasons explained in Section 3.2, Necessity of Transaction and 3.3 Advantages of Entering into Transaction.

3.4.2 The Company will have not have ownership in such land until all payments have been fully paid

The purchase price that the Company will pay for this transaction to SPI is 149.61 million Baht under conditions that the payment will be divided into 5 installments, each at 29.92 million Baht. However, the transfer of ownership in such land will be performed after payment of 5 installments have been fully

paid by the Company which will take approximately 4 years after the execution date of land sale and purchase agreement.

3.4.3 Lose opportunity to find a better location of the factory building

This transaction will make ownership in all factory buildings and structure located on such land still belong to the Company, so it may make the Company lose the opportunity to conduct a study on new location of the factory which may be better or more appropriate than the current location and size of factory located on such plot of land.

3.5 Risks of Transaction

3.5.1 Risk from duplicate usage of a large amount of investments in case the Company needs to expand manufacturing bases in the future

If in the future, the Company wishes to expand the manufacturing capacity which is more than the current usable area of the factory buildings and structure located in such land, the Company may have to acquire a new plot of land which has higher areas to support such expansion of manufacturing capacity and may have to use additional investments for the construction and relocation and installation of machineries. Consequently, the Company may lose a large amount of duplicate investments.

3.5.2 Risk of having high price of land

In order to acquire the ownership of land including the factory buildings located on such land, the purchase price that the Company has to pay is at 149.61 million Baht, which is the general rate of land proposed to all companies who are interested to establish the factory in the industrial estate specified by SPI. However, the appraised price of land excluding value of the buildings by the independent appraiser is 59.85 million Baht, so it can be viewed that the purchase price to be paid by the Company is much higher than such appraised price though it makes the Company has ownership in the buildings located in such land. In the future, if the Company wishes to sell such land, the Company may have risk from having the lower selling price than purchase price because most value of the land depends on buildings and structures located on such land and as such buildings have depreciation each year, while value of land increases at approximately 3-5% per year only.

3.6 Advantage of not entering into Transaction

3.6.1 The Company does not have to purchase the land at the price higher than the price appraised by the independent appraiser

If the Company does not enter into this transaction, the Company does not have to purchase such land from SPI at 12.00 million Baht per rai, or at a total amount of 149.61 million Baht. Even though such price is the rate proposed for sale to all interested companies who need to construct the factory in the industrial estate, but it is regarded as a higher price when compared with the appraised price of such land and buildings by the independent appraiser which is at 165.23 million Baht, comprising of 59.85 million Baht for the land and 105.83 million Baht for the buildings situated on the land. As the buildings located on such land are currently still the Company's assets, therefore it seems that such price of land is inclusive of value of the buildings which are currently belong to the Company.

3.6.2 The Company does have to expose to risk on ownership in such land during the payment period

If the Company does not enter into this transaction, the Company does not have to expose to risk on ownership in such land during the payment period of such land which is approximately 4 years because such ownership will be transferred to the Company after the Company pays the last installment to SPI. If the Company has financial problem during such period which may make the Company unable to make payment for such land in each installment, the Company may not be able to obtain the ownership in such land.

3.7 Impact on not entering the transaction

3.7.1 Ownership of the Company's buildings and structures located on the land will belong to the SPI after the expiry of the land lease agreement

If the Company does not enter into this transaction, the ownership in all buildings located in such land, which are currently the Company's assets, will immediately belong to SPI after the expiry of the land lease agreement, as per specified in the condition of such land lease agreement.

3.7.2 The Company will have to pay lease fee at a very high rate

As the ownership in all buildings located in such land will immediately belong to SPI after the expiry of the land lease agreement and if the Company wishes to renew the agreement, the Company is required to pay lease fee for building and structures located on such land pursuant to usable areas which are 19,105 square meters in total, apart from land lease fee pursuant to the existing agreement. Consequently, the Company will incur additional expenses for building lease fees amounting to 34.39 million Baht per year, or at the rate of 150 Baht per square meter per month, as per specified by SPI, as the Lessor or the Project Manager of Saha Group Industrial Park.

3.7.3 The Company may expose to the increased lease fee rate in the future

If the Company wishes to renew the land lease agreement, the Company will incur additional expenses for building lease fees amounting to 34.39 million Baht per year, as per the rate specified by SPI, as the Lessor or the Project Manager of Saha Group Industrial Park. In addition, the Company may expose to an adjustment of annual building lease fee, depending on lease rate adjustment of SPI, so it will make the Company has additional expense from the increased lease fee in each year.

3.7.4 The Company may have to procure location and has to use a large amount of investments for construction of new factory

If the Company does not enter into this transaction, the Company has to transfer ownership in all buildings located in such land, which are product manufacturing factory of the Company, to SPI, as the lessor, after the expiry of the existing land lease agreement, as per specified in the condition therein. In addition, if the Company does not wish to continue leasing such land, the Company has to find a new location and has to use a large amount of investment for construction of new factory at approximately 243.80 million Baht, as per anticipated by the Company's management.

3.7.5 The Company may waste time and revenues from relocation of factory including installation of new machineries

If the Company does not wish to continue leasing the existing land, the Company is required to procure a new land and construct a new factory, including relocate and install the new machineries. Therefore, the Company may face with many problems caused by relocation of manufacturing base, such as delay of construction, problems on moving and installation of new machineries, stoppage of manufacturing for construction of new factory as well as installation of new machineries. Hence, after entering into this transaction, the Company will have ownership in land including the factory buildings, so the Company does not need to relocate the factory as well as move and install new machineries and subsequently can avoid such risks.

3.8 Advantages of entering transaction with the connected person

3.8.1 Negotiation and relaxation of conditions in the agreement can be agreed easier and faster than entering transaction with the third party

As this transaction will be entered with SPI, the Company's major shareholder, so the Company can negotiate and request for relaxation in some conditions of the land sale and purchase agreement easier and faster, when comparing with entering with the third party, for instance, the Company can negotiate on term of payment of land purchase price from making the whole payment at one time to be 5 installments.

3.8.2 Having more confidence and reliability than entering transaction with the third party

As this transaction will be entered with SPI, the Company's major shareholder, so the Company will have more confidence and reliability than entering with the third party as it can be certain that this transaction will certainly make the Company obtain the ownership on such land.

3.9 Impacts of entering transaction with the connected person

3.9.1 Price and conditions cannot be fully negotiated due to conflict of interest

As this transaction will be entered with SPI, so the Company cannot fully negotiate on price and conditions, for instance, negotiation on reduction of price of land. However, SPI cannot reduce such price because SPI is the Company's major shareholder and is also the project manager of Saha Group Industrial Park Sriracha, who will have benefits from entry into this transaction with the Company. If such land purchase price which is the referenced price that applied to all entrepreneurs in Saha Group Industrial Park has been reduced, it may cause a conflict of interest.

3.10 Advantages of entering transaction with the third party

3.10.1 Price and conditions cannot be fully negotiated

If the Company enters this transaction with the third party, it will make the Company be able to fully negotiate on the land purchase price including other conditions in the land sale and purchase

agreement for maximum benefit of the Company, without causing any conflict of interest to both the Seller and the Purchaser.

3.11 Impacts of entering transaction with the third party

3.11.1 It may take longer time for operation and negotiation

If the Company enters into this transaction with the third party, it will take longer time on negotiation on land purchase price including other conditions, when comparing with entering with the Company's connected person because both parties need to negotiate for their maximum benefits.

3.11.2 Difficulty on negotiation and relaxation on conditions of the agreement

If the Company enters this transaction with the third party, it may difficult for the Company to request for relaxation on conditions of the agreement because the third party will mainly focus on preserving its best interest.

3.11.3 Less likelihood for achievement of transaction

If the Company enters this transaction with the third party, land purchase price may be higher than this rate and the terms of payment granted to the Company may not be as per mentioned above, so the achievement of this transaction may be less likelihood.

3.11.4 Lower confidence and reliability

If the Company enters into this transaction with the third party, the Company may not have the ownership in such land in case the Company is default of any conditions because the third party may not grant relaxation on the condition of the agreement in order to maintain its best interest. However, if the Company enters this transaction with SPI, the Company will have more confidence and reliability that this transaction will certainly make the Company obtain the ownership on such land.

Based on the above reasons and comparison on advantages and impacts including risks from entering into this transaction, the Independent Financial Advisor is of opinion that the purchase of land will make the Company obtain the ownership in factory buildings owned by the Company which are located on such land and even though the land purchase price is rather high when compared with the appraised price of the independent appraiser, but the benefits that the Company will receive will be more worthwhile. If the Company does not enter into this transaction, the Company has to transfer the ownership in all buildings owned by the Company which are located on such land which have high value when referring to the appraised price of the independent appraiser to SPI, as the lessor, after the expiration of the land lease agreement. In addition, in case the Company wishes to renew the land lease agreement, the Company is required to pay additional lease fee for building and structures amounting to 34.39 million Baht per year, as per the rate specified by SPI, as the Lessor. However, if the Company purchases such land from SPI at the rate of 149.61 million Baht and payment could be divided into 5 installments, each with 29.92 million Baht, so the expenses incurred to the Company for purchase of such land is only 29.92 million baht per year, which is lower than the combined land lease fee and building lease fee per year. Moreover, it will also make the Company have ownership in such land including structures and factory buildings in such land. Furthermore, this transaction can make the Company save investments and time on procurement of new location and it can make the Company continue its operation without having to stop the production

caused by relocation of the factory which may cause significant damage to the Company as it may take months on relocation of factory and machineries. Due to above reason, the Independent Financial Advisor deems that the entering into this transaction is reasonable.

Part 4: Evaluation on Appropriateness of Transaction Considerations

4.1 Evaluation on appropriateness of land sale and purchase considerations

Finnex Advisory Company Limited ("Independent Financial Advisor"), the financial advisor approved by the Office of Securities and Exchange Commission, has been appointed by the Company as the Independent Financial Advisor to give opinion on assets acquisition and connected transactions to the shareholders. The Independent Financial Advisor has considered the appropriateness of transaction consideration including comparison of advantages, impacts and benefits the Company will receive in each of 3 possible options on transaction related to the land where the factories are located as follows:

1. Purchase the land where the factories are located for this time
2. Lease the land pursuant to land lease agreement from SPI and continue renewing the lease agreement
3. Procurement of new land and construction of new factory

Our evaluation on appropriateness of land sale and purchase considerations is made by referring to information and business operations assumption obtained from the Company, financial statements which have been audited and reviewed by the Certified Public Accountants, appraisal value report of the independent appraiser, announcement on land lease and sale rates in Saha Group Industrial Park, Amphur Sriracha, Chonburi Province and interview with the management and the relevant officers, as well as information available to the public in SEC's website (www.sec.or.th), SET's website (www.set.or.th) and Bank of Thailand's website (www.bot.or.th).

However, the opinion of the Independent Financial Advisor is based on assumption that the abovementioned information and document are true and correct and by taking into consideration the current circumstances acknowledged. Therefore, if there are any changes, it might materially impact to business operations as well decision making of the shareholders.

The Independent Financial Advisor evaluated appropriateness of considerations of this transaction based on 3 possible options on operations in connection with land where the factories are located as follows:

1. Purchase the land where factory buildings are located from SPI for this time

The Independent Financial Advisor evaluated the transaction considerations on purchase of land where the factory buildings are located from SPI based on the offering price for sale of land by SPI to the Company, as the Purchaser, at the rate of 12.00 million Baht per rai, with total areas of

approximately 12 rai 1 ngan 87 square wah, or at a total amount of approximately 149.61 million Baht. Such land purchase price is the rate of land within Saha Group Industrial Park Sriracha pursuant to notice ref. no. KorGor. 0202/2559 dated July 4, 2016 that SPI sent to the Company. In addition, it has been confirmed from SPI that such price proposed to the Company is normal rate offered to all entrepreneurs pursuant to notice of SPI ref. no. KorGor 389/2559 dated October 22, 2016. Even though only land lease agreement will be executed, but according to the conditions in such agreement, it is specified that after the purchase transaction, ownership of factory buildings and structures located on such land will belong to the Company, the Purchaser. Therefore, purchasing the land at 149.61 million Baht will make the Company obtains the ownership in land including all buildings located on such land after SPI transfers ownership of land to the Company.

Consideration on appropriateness of land purchase price at a total amount of 149.61 million Baht

The Independent Financial Adviser has considered the appropriateness of land purchase price that the Company will purchase from SPI by comparing with the appraised price specified in the appraisal report of the independent appraiser, Siam City Appraisal Company Limited, the appraisal company which is in the list of appraisal company and lead appraiser contributing asset evaluation for capital market transaction of the Office of the Securities and Exchange Commission, where 5 plots of land including the buildings have been appraised in January 2017, the appraised prices could be as summarized as follows:

Land Title deed no. 225020, plot of land no. 6134			Value of 5 buildings (Bht.)	Total value of assets (Bht.)
Area (Square wah)	Price per square wah (Bht.)	Total (Bht.)		
4,987.00	12,000.00	59,844,000.00	105,386,000.00	165,230,000.00

When comparing the purchase and sale price where the Company will receive the ownership in the land including all buildings with the appraised price of the independent appraiser, such price is lower than the appraised price of 15.62 million Baht, so the land purchase price for this transaction of 149.61 million Baht is appropriated when comparing with the price appraised by the independent appraiser, as per details in comparison table as follows:

Purchase and sale prices during this transaction (Million Baht)		Prices appraised by the independent appraiser (Million Baht)		Difference (Million Baht)
Land	149.61	Land	59.84	Purchase price < appraised price <u>15.62 million Baht</u>
Buildings		Buildings	105.39	
Total	149.61	Total	165.23	

Consideration on value of transaction in case the Company purchases the land by applying Discounted Cash Flow Approach

According to the term of payment for this land purchase, the Purchaser will make payment to the Seller by dividing into 5 installments, without any interest, at approximately 29,922,000 Baht with details as follows:

- 1st Installment: Within 30 days from the execution date of land sale and purchase agreement.
- 2nd installment: Within 1 year after the payment date of the 1st installment.
- 3rd installment: Within 1 year after the payment date of the 2nd installment
- 4th installment: Within 1 year after the payment date of the 3rd installment.
- 5th installment: On the land ownership transferring date.

Therefore, when considering the value of considerations pursuant to payment of each installment pursuant to Discounted Cash Flow Approach with net present value of land purchase and sell price in each installment by applying Weight Average Cost of Capital (WACC), detail on calculation of discount rate is as follows:

■ Discount Rate

Discount rate used for calculation of net present value of lease fee comes from calculation of weighted average cost of capital (WACC) pursuant to capital structure of business. The Independent Financial Advisor calculated WACC from weighted average of cost of debt (K_d) and cost of equity (K_e), but since the Company and the subsidiaries to be entered into this land acquisition transaction do not have any financial liabilities, hence it does not have cost of debt (K_d) which results in weighted average cost of capital of the Company equals to cost of equity (K_e) and WACC equal to 5.89%. Formula for calculation of discount rate is as follows:

$$\begin{aligned} \text{WACC} &= K_e * E / (D + E) + K_d * (1 - T) * D / (D + E) \\ K_e &= \text{Cost of equity or shareholders' required rate of return } (R_e) \end{aligned}$$

K_d	=	Cost of debt or loan interest rate of the Company
T	=	Rate of corporate income tax
E	=	Total shareholders' equity
D	=	Debt with interest

Cost of equity (K_e) or shareholders' required rate of return (R_e) is calculated from Capital Asset Pricing Model (CAPM) as follows:

$$\begin{aligned}
 K_e &= R_f + \beta (R_m - R_f) \\
 K_e &= 3.60\% + (0.345 \times (10.21\% - 3.60\%)) \\
 K_e &= \underline{5.89\%}
 \end{aligned}$$

Whereas:

Risk Free Rate (R_f) = Refer to average rate of return of bid yield of 45-year government bond (Between 1971-2015), which equals to 3.60 percent per year. As the Independent Financial Advisor applied assumption of Going Concern Basis, so it has to refer to rate of return of bid yield of government bond of the longest period which is 45 years which has been issued and offered continually and is consistently with the assumption of Going Concern basis. (Source: www.thaibma.or.th as at January 31, 2017)

Beta (β) = Beta of 5 companies by referring to average variance of daily return of the Stock Exchange of Thailand and returns of TPCORP and other 4 listed companies of the Stock Exchange of Thailand engaging in manufacturing of textiles and non-woven fabric which has similar business of TPCORP, i.e.

- Luckytex (Thailand) Public Co., Ltd. ("LTX")
- Thai Textile Industry Public Co., Ltd. ("TTI")
- Thai Toray Textile Mills Public Co., Ltd. ("TTTM")
- Union Pioneer Public Co., Ltd. ("UPF")

Average Beta of 5 companies should better reflect the investors' required rate of return than using Beta of TPCORP only. Average Beta of 5 companies are backdated for 3 years from February 2014 - January 2017 which equals to 0.345 (Source: Bloomberg Finance).

Market Risk (R_m) = Average return on investment in the Stock Exchange of Thailand backdated for 25 years since 1982 - 2017, which equals to 10.21 percent per year because it the period of time that can better reflect investment conditions with minimum impact from fluctuation in the Stock Exchange of Thailand. (Source: www.setsmart.com).

In addition, the condition specified for this land purchase and sale transaction is that the Company as the Purchaser and the Purchase shall be equally responsible for transfer fees and taxes. Such fees and taxes which will be paid after the Company pays the last installment payment in 2021 can be evaluated by referring to the land purchase price of 149.61 million Baht and it can be calculated as follows:

Transfer fee (20%)	=	2.00% x 149.61	=	2.99 million Baht
Income tax (1.0%)	=	1.00% x 149.61	=	1.50 million Baht
Specific business tax (3.3%)	=	3.30% x 149.61	=	<u>4.94</u> million Baht
Total	=		=	<u>9.43</u> million Baht
Share with the Seller at 50.00% during 2021	=		=	4.71 million Baht
Equal to net present value	=		=	<u>3.75 million Baht</u>

Year	2017	2018	2019	2020	2021
Land purchase price in each installment	29.92	29.92	29.92	29.92	29.92
WACC	5.89%				
Net Present Value	<u>133.88 million Baht</u>				
Net present value of taxes and fees on land transfer registration	<u>3.75 million Baht</u>				
Total value of transaction in case of purchase of land	<u>137.63 million Baht</u>				

As terms of payment of the land purchase and sell price of 149.61 million Baht is that it can be divided into 5 installments, so the Independent Financial Advisor calculated value of transaction in case the Company purchases the land by applying net present value of land purchase price in each installment including land transfer fees and taxes at **137.63 million Baht**.

2. Lease the land pursuant to land lease agreement from SPI and continue renewing the lease agreement

The Independent Financial Advisor evaluates value of transaction in case the Company leases the land pursuant to the land lease agreement from SPI and continues renewing the lease agreement pursuant to Discounted Cash Flow Approach, by using present value of lease fee pursuant to the existing land lease agreement which will be expired on January 31, 2018 (Jan-Dec 2016 and January 2017) and discounting net present value of lease rate after renewal of such land lease agreement by applying the Company's WACC.

The Independent Financial Advisor evaluates value of transaction in case the Company keeps on leasing the land from SPI by referring to lease rate of the existing land lease agreement that the Company, as the lessee, executed with SPI, as the lessor, throughout the expiration period on January 31, 2018. After that the lease fees shall include the lease fee of the land and the buildings by referring to lease fee rates of the land and the building throughout a period of 10 years, pursuant to the lease rate announcement of SPI, with details as follows:

Item	Lease fee rate pursuant to existing lease agreement to be expired on Feb 1, 2018				Lease fee pursuant to notification of SPI in case of renewal of the agreement for another 10 years			
	Lease areas (Sq. m.)	Lease rate (Bht/sq.m./mth)	Lease rate (Bht/mth)	Lease rate (Bht./year)	Lease areas (Sq. m.)	Lease rate (Bht/sq.m./mth)	Lease rate (Bht/mth)	Lease rate (Bht./year)
Building lease fee	-	-	-	-	19,105.00 ²	150	2,865,750	34,389,000
Land lease fee	17,209.70	3.50	60,233.95	722,807.40	5,652.00 ³	25	141,300	1,695,600
Land lease fee – evaluate for additional areas	560.43	15.00	8,406.45	100,877.40	-	-	-	-
Total	17,770.13¹		68,640.40	823,684.80	24,757.00		3,007,050	36,084,600

Remark: ¹ Leased areas pursuant to the existing land lease agreement are total leased areas only, which excludes lease fee of factory building.

² Leased areas of the building in case of renewal of the lease agreement are the areas of the factory buildings and structures based on actual usable areas in every floor

³ Land leased area in case of renewal of lease agreement is the vacant land apart from areas of the factory buildings and structure.

Evaluation of value of transaction in case of renewal of lease agreement for another 10 years which will be ended on January 31, 2028 is based on assumption of Going Concern basis, the Independent Financial Advisor, therefore, estimates the lease fee rate after the ending of the lease agreement which is on January 31, 2028 (Terminal Value). So projection after terminal value is based on lease rate in 2028 which is the last projection year, with formula as follows:

$$\text{Terminal Value} = \text{Land lease fee in 2028} \times (1 + G) / (\text{Discount Rate} - G)$$

Whereas:

Discount Rate = Weighted Average Cost of Capital (WACC) equals to 5.89%
 G = Terminal Value Growth Rate equals to 1.55% by referring to general inflation rate of January 2017 of the Bank of Thailand

Based on assumption on estimation of lease fees of the land and factory buildings as mentioned above in case the Company continues renewing lease agreement with SPI, summary of lease fees of the land and buildings pursuant to the current land lease agreement and the renewal of land and building lease agreement based on lease fee rate announcement of SPI for the next 10 years until February 1, 2028 and evaluation of lease fee from renewal of lease agreement after such period (Terminal Value) is as follows:

Unit : Million Baht

Year	2017	2018	2019	2020	2021	2022
Lease fee of land and factory building	0.82	33.15	36.08	36.08	36.08	36.08
Land lease fee after Terminal Value	-	-	-	-	-	-
Total	0.82	33.15	36.08	36.08	36.08	36.08
Year	2023	2024	2025	2026	2027	2028
Lease fee of land and factory building	36.08	36.08	36.08	36.08	36.08	36.60
Land lease fee after Terminal Value	-	-	-	-	-	857.28
Total	36.08	36.08	36.08	36.08	36.08	893.88

Based on the above information and assumption, net present value of lease rate in each year pursuant to Discounted Cash Flow Approach can be calculated as follows:

	Value (MBaht)
WACC	5.89%
Net present value of lease fee	268.78
PV of Terminal Value	431.62
Present value of lease fee – Net	700.40

Therefore, value of transaction of the lease fees of the land and the buildings in case the Company continues renewing land lease agreement with SPI which is calculated based on Discounted Cash Flow Approach that the Company has to pay in total is **700.40 million Baht**.

3. Procurement of new land and construction of new factory

The Independent Financial Adviser evaluates value of transaction in case the Company refuses to purchase and leases the land from SPI, but procures new land and constructs new factory instead by referring to the land purchase price and construction cost of new factory pursuant to the appraisal report of the independent appraiser, Siam City Appraisal Company Limited, the appraisal company which is in the list of appraisal company and lead appraiser contributing asset evaluation for capital market transaction of the Office of the Securities and Exchange Commission, who conducted land and building appraisal for this transaction in January 2017. Even though such appraisal has been conducted 2 months ago but the current condition of the land and buildings of the Company including nearby areas are still the same and the economic conditions and real estate industry during the past 2 months have not been materially changed from the appraisal date, so prices of land and buildings have been referred in case the Company constructs a new factory.

The Independent Financial Adviser evaluates the land price pursuant to Market Approach by comparing prices of land with information of market prices which has similar nature to the assets proposed for sell and located close to the assets' areas. In addition, the Independent Financial Advisor evaluates construction cost of new factory pursuant to Cost Approach by analyzing replacement value cost on construction of building which has similar characteristic with the newly constructed factory. Replacement value has been referred to standard prices of building construction as of 2016 of The Valuer Association of Thailand. Details on evaluation in case of procurement of new land and construction of new factory are as follows:

Item No.	Type of Assets	Area (Square wah)	Appraised price (Bht/Sq. wah)	Total appraised price (Baht)
On land with area of 12 – 1 – 87 rai				
1.	Land where factories are located with areas of 12 rai 1 ngan 87 square wah	4,987.00	12,000.00	59,844,000

Item No.	Type of Assets	Area (Square wah)	Appraised price (Bht/Sq. wah)	Total appraised price (Baht)
Building, integral building improvement and development				
2.	3-floor office building with factory and building improvement			
	- Usable areas within 3-floor office building	2,160.00	15,000.00	32,400,000
	- Usable areas within 2-floor factory building	2,160.00	12,000.00	25,920,000
	- Usable areas within 1 floor office building with mezzanine	13,743.00	8,500.00	116,815,500
	- Building improvement	462.00	3,500.00	1,617,000
	Total	18,525.00		176,752,500
3.	Warehouse No. 1			
	- Internal usable areas	220.00	5,000.00	1,100,000
	Total	220.00		1,100,000
4.	Spare parts warehouse No. 1			
	- Internal usable areas	60.00	5,000.00	300,000
	Total	60.00		300,000
5.	Spare parts warehouse No. 2			
	- Internal usable areas	48.00	5,000.00	240,000
	Total	48.00		240,000
6.	Canteen and maintenance building			
	- Usable areas within canteen	216.00	6,500.00	1,404,000
	- Usable areas within maintenance building	36.00	5,000.00	180,000
	Total	252.00		1,584,000
	Total areas of buildings	19,105.00		179,976,500
	Integral part and developments			
	- Road and concrete yard	3,304.00	700.00	2,312,800
	- Fence with length of 556.52 m., and height of 2.00 m.	1,113.04	1,500.00	1,669,560
	Total	4,417.04		3,982,360
	Total appraisal price of buildings and integral part and development	23,522.04		183,958,860
	Total appraised price of land and building			243,802,860

The Independent Financial Advisor evaluates value of transaction in case of procurement of land and construction of new factory at **243.80 million Baht.**

Summary on comparison of value of transaction for 3 cases to be used for consideration on appropriateness of price on purchase of land where the factories are located is as follows:

(Unit : Million Baht)

Operation in each Case	Total Value of Transaction
1. Purchase the land where factories are located from SPI	137.63
2. Lease the land pursuant to land lease agreement from SPI and continue renewing the lease agreement	700.40
3. Procurement of new land and construction of new factory	243.80

Based on the above operations concerning the land where factories are located pursuant to 3 cases in the comparison table above, the Independent Financial Advisor deemed that the lowest value of transaction to be paid by the Company is to purchase the land where factories are located from SPI this time. The reason is that it is the option which will make the Company able to acquire the land and factory building for its business operations at the least amount, when comparing with other options, so it is the most appropriated option on value of transaction and **the amount of money that the Company has to pay equal to net present value of 137.63 million Baht.**

Apart from consideration on appropriateness of value of transaction of each case, the Independent Financial Adviser also considers about the advantages and impacts on operations concerning the land where the factories are location of 3 options as follows:

1. Purchase the land where factories are located from SPI: This is the most appropriated operation with regards to value of transaction because it is the option which will make the Company spend money on acquisition or land and buildings which has usable condition for at least 20 years at the lowest price, when comparing with other options. Such purchase of land where the factories are located will make their ownerships belong to the Company so it will make the Company able to avoid risks from rejection on renewal of lease agreement including facing higher lease rate. Particularly, if the Company renews the existing land lease agreement that the Company executed with SPI which will expires on January 31, 2018, the land lease fee that the Company has to pay to SPI at 0.82 million Baht per year will be increased to 36.08 million Baht because the Company has to pay the lease fees of the land and the buildings. In addition, after purchase of such land, the Company will not have to pay the remaining land lease fees for the remaining contract term of approximately 9 months, which equals to approximately 0.62 million Baht. Such purchase transaction will make the Company continue manufacturing operations without wasting time and expenses on relocation of factory and machineries including manufacturing employees to new location in case the lease agreement with SPI has not been renewed.

However, in case the Company purchases the land and acquires ownership in factory buildings, the Company will incur maintenance expenses of factory buildings as their ownership will belong to the Company, which is different from the case of leasing because the lessor has duty on maintenance of the buildings to be in usable condition. The Independent Financial Advisor evaluates maintenance cost

from the amount that the Company paid during the past period at approximately 2.00 million Baht. Such purchase also makes the Company lose the opportunity to conduct study on new location which may be better and more appropriated than the present location and factory size. If in the future, the Company wishes to expand the manufacturing capacity which is more than the current usable area of the factory buildings and structure located in such land, the Company may have to acquire a new plot of land which has higher areas to support such expansion of manufacturing capacity and may have to use a large amount of investments, such as land purchase price, construction cost and machineries and others. Nonetheless, when considering that at present the manufacturing capacity has been operated at only 70.00 percent of its full manufacturing capacity and the expansion of automotive industry which is the Company's main customer has not been much expanded. Therefore, the expansion of manufacturing capacity of the Company will not occur during the near future.

2. Lease the land pursuant to land lease agreement from SPI and continue renewing the lease agreement. This option has the highest value of transaction because the land lease fee based on net present value that the Company has to pay will be at 700.40 million Baht because the lease fees of both land and building have been additionally increased. In addition, in case of continue renewing the lease agreement, the Company may face the risk from termination of agreement, which will make the Company wastes time and money on procurement of land location and installation of new manufacturing machineries and equipment. Such machine installation and implementation of new manufacturing system will reduce the manufacturing efficiency. Factory relocation will cause inconvenience on transportation of the employees and may lead to their resignation and impact to manufacturing workforce.

In addition, the condition in the existing land lease agreement that the Company made with SPI which will be expired on January 31, 2018 specified that the ownership in all buildings located in such land will belong to SPI, as the lessor, after the expiry of such period. Hence, in case the Company renews the agreement, the Company is required to pay additional lease fee for factory buildings amounting to Baht 34.39 million per year.

3. Procurement of new land and construction of new factory: Value of transaction of this option is higher than the case of purchase of land from SPI but lower than the case of continuing renewing the lease agreement. Procurement of new land and construction of new factory will make the Company lose a lot of time and expenses on relocation of manufacturing machineries and equipment, reinstallation of machineries and implementation of manufacturing system. The Company will also has expenses on transportation, installation and implementation of synthetic fiber manufacturing system which is very complicated and delicate, so it may cause the system to be deviation and delay and will consequently cause reduction of product manufacturing efficiency. Factory relocation will cause inconvenience on transportation of the manufacturing employees and may lead to their resignation and impact to manufacturing workforce.

However, if the Company purchases the new land and constructs the new factory, the Company will have new factory with longer usage time than the existing ones and it will also make the Company able to have the opportunity to find a new location which may be better and more appropriated

than the present location and factory size to support the expansion of manufacturing capacity in the future, in case the Company wishes to expand its manufacturing base which has larger usable areas for factory buildings than the existing ones.

Based on the above evaluation on appropriateness and value of transaction, advantages and impacts as mentioned above, each case has different advantages and results, however, the Independent Financial Advisor is of opinion that the most appropriate option on value of transaction to be paid by the Company for acquisition of land and buildings for business operations is to purchase the land where factories are located from SPI because it has the least expense. Value of transaction pursuant to Discounted Cash Flow Approach that the Company has to pay for land purchase price which has divided into installments equals to 133.88 million Baht.

When consideration on advantages and impacts on operation on land where factories are location in case option, the purchase of land from SPI is the most appropriated and most beneficial to business operations of the Company because the ownership in land where the factories are location will belong to the Company, so the Company will not have to face the risk from non-renewal of land lease agreement and increased lease fee rates. Such purchase will make the Company able to continue manufacturing operations without wasting time and money on relocation of factory, machineries and manufacturing employees in case the lease agreement has not been renewed.

Based on results on evaluation on value of transaction and reasons as mentioned above, the independent Financial Advisor is of opinion that value of transaction and terms of payment in case of purchase the land where factories are located from SPI proposed to sell by SPI at approximately 149.91 million Baht, where payment can be divided to 5 installments at approximately 29,922,000 Baht each, without interest, is the appropriate operation and it will not cause the Company to lose any benefit. In addition, the purchase of land where factories are location from SPI is the most appropriated and benefits to the Company's business operations.

Part 5: Summary on Opinion of the Independent Financial Advisor

This acquisition transaction of the land where factories are located occurs because the land lease agreement that the Company, as the lessee, executed with SPI, as the lessor, will be expired on January 31, 2018 and after the expiry of such land lease agreement, the ownership in all buildings owned by the Company which are located in such land will belong to SPI, as the lessor. If the Company wishes to renew the agreement, the Company is required to pay lease fee for building and structures amounting to Baht 34.39 million per year. Consequently, if the Company wishes to purchase such land from SPI pursuant to the rate of purchase price within Saha Group Industrial Park, which is 12.00 million Baht per rai, with total areas of 12 rai 1 ngan 87 square wah, or at a total purchase price of 149.61 million Baht with terms of payment that the payment will be made into 5 installments, without any interest, at approximately 29,922,000 Baht per each installment and SPI will transfer land ownership to the Company after the last installment has been fully paid.

The Independent Financial Advisor has compared the appropriateness on proposal of such acquisition with regards to appropriateness, value of transaction, advantages and impacts on acquisition of land and buildings by using 3 option as follows:

1. Purchase the land where the factories are located for this time
2. Lease the land pursuant to land lease agreement from SPI and continue renewing the lease agreement
3. Procurement of new land and construction of new factory

The Independent Financial Advisor has considered the appropriateness on value of transaction to be paid by the Company for acquisition of land and buildings for business operations and is to purchase the land where factories are located from SPI because it has the least expense, when comparing with other options. When consideration on advantages and impacts on operation on land where factories are location in case option, the purchase of land from SPI is also the most appropriated and most beneficial to business operations of the Company because the ownership in land where the factories are location will belong to the Company, so the Company will not have to face the risk from non-renewal of land lease agreement and increased lease fee rates. Such purchase will make the Company able to continue manufacturing operations without wasting time and money on relocation of factory, machineries and manufacturing employees in case the lease agreement has not been renewed. The Company will also have additional value of land which is approximately 3-5 percent per year, according to the assets appraisal report of the independent appraiser who conducted survey of the nearby areas. Therefore, **the Independent Financial Advisor is of opinion that the acquisition transaction of the land where factories are located is appropriated and reasonable.** In

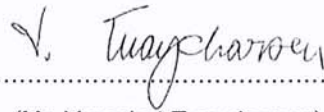
addition, when considering that after the Company purchases such land, the ownership in land and all buildings located therein will belong to the Company and such purchase price is also lower than the price of the land and buildings appraised by the independent appraiser. Moreover, when comparing the purchase price by means of discount cash flow approach, such price is lower than the expenses that the Company has to pay in case the Company continues leasing such land and in case of procurement of new land and construction of new factory buildings. Hence, when considering from details of the land purchase proposal including advantages and impacts of each option, as well as considerations to be paid by the Company, **the Independent Financial Advisor is of opinion that the shareholders should approve on the acquisition of the land where the factories are located** from SPI

However, final decision rests with the shareholders' own discretion and we would like to suggest that they should thoroughly study information contained in document attached to invitation to the Annual General Meeting of Shareholders before making any decision.

Finnex Advisory Company Limited (FINNEX), as the Independent Advisor, certified that we have studied and analyzed such information thoroughly and reasonably according to the professional standards and all opinions provided are based on fundamental of information and fairness by primarily adhering to the best interest of the minority shareholders. Additionally, our opinion provided based on information available to the public, industrial information obtained from the third party as well as assets appraisal report of the independent appraiser obtained from the management of the Company and from the relevant companies, including interview with the Company's management. Our opinion is based on assumption that the abovementioned information is true and correct. In addition, we do not examine correctness and completeness of all information, so if there is any material change in such information, it will likely affect the opinion provided herein.


The Independent Financial Advisor hereby certified that we have rendered the above opinion prudently under code of professional practices and in the interest of the shareholders.

Sincerely Yours



(Mr. Vorachat Tuaycharoen)

Managing Director



(Mr. Chaiyasit Laoreandee)

Supervisor

Attachment No. 1

Summary on Assets Appraisal Report Textile Prestige Public Company Limited

Summary on Assets Appraisal Guidelines

After the Independent Financial Advisor has considered assets appraisal report prepared by Siam City Appraisal Company Limited which appraised lands, building and machineries of TPCORP to be purchased and sold under this transaction, the Independent Financial Advisor would like to summarize assets appraisal guidelines as follows:

Appraisal of Land

The independent appraiser applied Market Approach which the Independent Financial Advisor deems appropriated because market prices of 12 areas adjacent to the location of assets have been surveyed and compared, after that internal factors have been adjusted, i.e. distance from main road, characteristic of plot of land, size of land, width of land, utilities system, liquidity, internal plot of land and etc. Moreover, the appraiser also considered on its present utilization, environmental conditions and growth condition in the future as well as liquidity on purchase and sales of such land and current economic conditions. The market information will be analyzed and adjusted pursuant to the above factors, then it will be used for assets appraisal.

Appraisal of Building

The independent appraiser applied Cost Approach which we deem appropriated because such appraisal also takes into consideration cost of reproduction, new prices by referring to standard prices of building construction as of 2016 of The Valuer Association of Thailand then it shall be deducted with depreciation costs pursuant to year and characteristic of building structure as well as maintenance factors.

Therefore, the Independent Financial Advisor deems that the Cost Approach and Market Comparison Approach applied by the independent appraiser are appropriated.